

# Senate Amendment 5180

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1 1 Amend Senate File 2383 as follows:  
1 2 #1. By striking everything after the enacting  
1 3 clause and inserting the following:  
1 4 <DIVISION I  
1 5 ESTABLISHMENT OF RENEWABLE FUEL STANDARDS  
1 6 Section 1. PETROLEUM REPLACEMENT GOAL. It is the  
1 7 goal of this state that by January 1, 2025, biofuel  
1 8 will replace twenty-five percent of all petroleum used  
1 9 in the formulation of gasoline.  
1 10 Sec. 2. Section 214A.1, Code 2005, is amended by  
1 11 adding the following new subsections:  
1 12 NEW SUBSECTION. 0A. "Advertise" means to present  
1 13 a commercial message in any medium, including but not  
1 14 limited to print, radio, television, sign, display,  
1 15 label, tag, or articulation.  
1 16 NEW SUBSECTION. 1A. "Biodiesel" means a renewable  
1 17 fuel comprised of mono-alkyl esters of long-chain  
1 18 fatty acids derived from vegetable oils or animal  
1 19 fats, which meets the standards provided in section  
1 20 214A.2.  
1 21 NEW SUBSECTION. 1B. "Biodiesel blended fuel"  
1 22 means a blend of biodiesel with petroleum-based diesel  
1 23 fuel which meets the standards, including separately  
1 24 the standard for its biodiesel constituent, provided  
1 25 in section 214A.2.  
1 26 NEW SUBSECTION. 1C. "Biofuel" means ethanol or  
1 27 biodiesel.  
1 28 NEW SUBSECTION. 1D. "Committee" means the  
1 29 renewable fuels and coproducts advisory committee  
1 30 established pursuant to section 159A.4.  
1 31 NEW SUBSECTION. 1E. "Dealer" means a wholesale  
1 32 dealer or retail dealer.  
1 33 NEW SUBSECTION. 1F. "Diesel fuel" means any  
1 34 liquid, other than gasoline, which is suitable for use  
1 35 as a fuel in a diesel fuel powered engine, including  
1 36 but not limited to a motor vehicle, equipment as  
1 37 defined in section 322F.1, or a train. Diesel fuel  
1 38 includes a liquid product prepared, advertised,  
1 39 offered for sale, or sold for use as, or commonly and  
1 40 commercially used as, motor fuel for use in an  
1 41 internal combustion engine and ignited by pressure  
1 42 without the presence of an electric spark. Diesel  
1 43 fuel must meet the standards provided in section  
1 44 214A.2.  
1 45 NEW SUBSECTION. 1G. "E-85 gasoline" means ethanol  
1 46 blended gasoline formulated with a minimum percentage  
1 47 of between seventy and eighty-five percent by volume  
1 48 of ethanol, if the formulation meets the standards  
1 49 provided in section 214A.2.  
1 50 NEW SUBSECTION. 1H. "Ethanol" means ethyl alcohol  
2 1 that is to be blended with gasoline if it meets the  
2 2 standards provided in section 214A.2.  
2 3 NEW SUBSECTION. 1I. "Ethanol blended gasoline"  
2 4 means a formulation of gasoline which is a liquid  
2 5 petroleum product blended with ethanol, if the  
2 6 formulation meets the standards provided in section  
2 7 214A.2.  
2 8 NEW SUBSECTION. 1J. "Gasoline" means any liquid  
2 9 product prepared, advertised, offered for sale or sold  
2 10 for use as, or commonly and commercially used as,  
2 11 motor fuel for use in a spark-ignition, internal  
2 12 combustion engine, and which meets the specifications  
2 13 provided in section 214A.2.  
2 14 NEW SUBSECTION. 2A. "Motor fuel pump" means the  
2 15 same as defined in section 214.1.  
2 16 NEW SUBSECTION. 5A. "Renewable fuel" means a  
2 17 combustible liquid derived from grain starch, oilseed,  
2 18 animal fat, or other biomass; or produced from a  
2 19 biogas source, including any nonfossilized decaying  
2 20 organic matter which is capable of powering machinery,  
2 21 including but not limited to an engine or power plant.  
2 22 Renewable fuel includes but is not limited to biofuel,  
2 23 ethanol blended gasoline, or biodiesel blended fuel  
2 24 meeting the standards provided in section 214A.2.

2 25 NEW SUBSECTION. 6A. "Retail motor fuel site"  
2 26 means a geographic location in this state where a  
2 27 retail dealer sells and dispenses motor fuel on a  
2 28 retail basis.  
2 29 Sec. 3. Section 214A.1, subsection 2, Code 2005,  
2 30 is amended to read as follows:  
2 31 2. "Motor ~~vehicle~~ fuel" means a substance or  
2 32 combination of substances which is intended to be or  
2 33 is capable of being used for the purpose of ~~propelling~~  
~~2 34 or running by combustion any of operating an internal~~  
2 35 combustion engine, ~~including but not limited to a~~  
~~2 36 motor vehicle,~~ and is kept for sale or sold for that  
2 37 purpose. ~~The products commonly known as kerosene and~~  
~~2 38 distillate or petroleum products of lower gravity~~  
~~2 39 (Baume scale), when not used to propel a motor vehicle~~  
~~2 40 or for compounding or combining with a motor vehicle~~  
~~2 41 fuel, are exempt from this chapter except as provided~~  
~~2 42 in section 214A.2A.~~  
2 43 Sec. 4. Section 214A.1, subsections 6 and 8, Code  
2 44 2005, are amended by striking the subsections and  
2 45 inserting in lieu thereof the following:  
2 46 6. "Retail dealer" means a person engaged in the  
2 47 business of storing and dispensing motor fuel from a  
2 48 motor fuel pump for sale on a retail basis, regardless  
2 49 of whether the motor fuel pump is located at a retail  
2 50 motor fuel site.  
3 1 8. "Wholesale dealer" means a person, other than a  
3 2 retail dealer, who operates a place of business where  
3 3 motor fuel is stored and dispensed for sale in this  
3 4 state, including a permanent or mobile location.  
3 5 Sec. 5. Section 214A.2, subsection 1, Code 2005,  
3 6 is amended to read as follows:  
3 7 1. The ~~secretary department~~ shall adopt rules  
3 8 pursuant to chapter 17A for carrying out this chapter.  
3 9 The rules may include, but are not limited to,  
3 10 specifications relating to motor fuel ~~or oxygenate~~  
~~3 11 octane enhancers, including but not limited to~~  
~~3 12 renewable fuel such as ethanol blended gasoline,~~  
~~3 13 biodiesel, biodiesel blended fuel, and motor fuel~~  
~~3 14 components such as an oxygenate.~~ In the interest of  
3 15 uniformity, the ~~secretary department~~ shall adopt by  
3 16 reference ~~or otherwise other~~ specifications relating  
3 17 to tests and standards for motor fuel ~~or oxygenate~~  
~~3 18 octane enhancers including renewable fuel and motor~~  
~~3 19 fuel components, established by the United States~~  
~~3 20 environmental protection agency and A.S.T.M. (American~~  
~~3 21 society for testing and materials) international,~~  
~~3 22 unless the secretary determines those specifications~~  
~~3 23 are inconsistent with this chapter or are not~~  
~~3 24 appropriate to the conditions which exist in this~~  
~~3 25 state. In adopting standards for a renewable fuel,~~  
~~3 26 the department shall consult with the committee.~~  
3 27 Sec. 6. Section 214A.2, Code 2005, is amended by  
3 28 adding the following new subsection:  
3 29 NEW SUBSECTION. 2A. a. For motor fuel advertised  
3 30 for sale or sold as gasoline by a dealer, the motor  
3 31 fuel must meet registration requirements for that type  
3 32 of motor fuel and its additives established by the  
3 33 United States environmental protection agency  
3 34 including as provided under 42 U.S.C. } 7545.  
3 35 b. If the motor fuel is advertised for sale or  
3 36 sold as ethanol blended gasoline, the motor fuel must  
3 37 comply with departmental standards which shall comply  
3 38 with specifications for ethanol blended gasoline  
3 39 adopted by A.S.T.M. international. For ethanol  
3 40 blended gasoline all of the following shall apply:  
3 41 (1) Ethanol must be agriculturally derived, having  
3 42 at least one hundred ninety proof, be denatured as  
3 43 required by federal law including 27 C.F.R., pts. 20  
3 44 and 21, and conform to A.S.T.M. international  
3 45 specification D 4806=95b or a successor A.S.T.M.  
3 46 international specification as established by rules  
3 47 adopted by the department.  
3 48 (2) For ethanol blended gasoline other than E=85  
3 49 gasoline, at least ten percent of the gasoline by  
3 50 volume must be ethanol.  
4 1 (3) For E=85 gasoline all of the following must  
4 2 apply:  
4 3 (a) From the first day of April until the last day  
4 4 of October, at least eighty-five percent of the  
4 5 gasoline by volume must be ethanol.

4 6 (b) From the first day of November until the last  
4 7 day of March, at least seventy percent of the gasoline  
4 8 by volume must be ethanol.

4 9 (c) E=85 gasoline must conform to A.S.T.M.  
4 10 international specification D 5798=99 or a successor  
4 11 A.S.T.M. international specification as established by  
4 12 rules adopted by the department.

4 13 (4) In calculating the percentage of ethanol  
4 14 required for the formulation of ethanol blended  
4 15 gasoline, a percentage of a denaturant or contaminants  
4 16 permitted in the ethanol blended gasoline may be  
4 17 excluded as provided by rules adopted by the  
4 18 department.

4 19 Sec. 7. Section 214A.2, subsection 3, Code 2005,  
4 20 is amended by striking the subsection and inserting in  
4 21 lieu thereof the following:

4 22 3. a. For motor fuel advertised for sale or sold  
4 23 as biodiesel or biodiesel blended fuel by a dealer,  
4 24 the motor fuel must meet registration requirements for  
4 25 that type of motor fuel and its additives established  
4 26 by the United States environmental protection agency  
4 27 including as provided under 42 U.S.C. } 7545.

4 28 b. The motor fuel must comply with departmental  
4 29 standards which shall comply with specifications  
4 30 adopted by A.S.T.M. international for biodiesel or  
4 31 biodiesel blended fuel, to every extent applicable as  
4 32 determined by rules adopted by the department.

4 33 (1) Biodiesel must conform to A.S.T.M.  
4 34 international specification D 6751 or a successor  
4 35 A.S.T.M. international specification as established by  
4 36 rules adopted by the department. The specification  
4 37 shall apply to biodiesel before it leaves its place of  
4 38 manufacture.

4 39 (2) At least one percent of biodiesel blended fuel  
4 40 by volume must be biodiesel.

4 41 (3) The biodiesel may be blended with diesel fuel  
4 42 whose sulfur, aromatic, lubricity, and cetane levels  
4 43 do not comply with A.S.T.M. international  
4 44 specification D 975 grades 1=D or 2=D, low sulfur 1=D  
4 45 or 2=D, or ultra-low sulfur grades 1=D or 2D, provided  
4 46 that the finished biodiesel blended fuel meets  
4 47 A.S.T.M. international specification D 975 or a  
4 48 successor A.S.T.M. international specification as  
4 49 established by rules adopted by the department.

4 50 Sec. 8. Section 214A.2A, Code 2005, is amended to  
5 1 read as follows:

5 2 214A.2A KEROSENE LABELING.

5 3 1. Fuel which is sold or is kept, offered, or  
5 4 exposed for sale as kerosene shall be labeled as  
5 5 kerosene. The label shall include the word "kerosene"  
5 6 and a designation as either "K1" or "K2", and shall  
5 7 indicate that the kerosene is in compliance with the  
5 8 standard specification adopted by the A.S.T.M. in  
5 9 international specification D=3699 (1982).

5 10 2. A product commonly known as kerosene and a  
5 11 distillate or a petroleum product of lower gravity  
5 12 (Baume scale), when not used to propel a motor vehicle  
5 13 or for compounding or combining with a motor fuel, are  
5 14 exempt from this chapter except as provided in this  
5 15 section.

5 16 Sec. 9. Section 214A.3, Code 2005, is amended by  
5 17 striking the section and inserting in lieu thereof the  
5 18 following:

5 19 214A.3 ADVERTISING.

5 20 1. For all motor fuel, a person shall not  
5 21 knowingly do any of the following:

5 22 a. Advertise the sale of any motor fuel which does  
5 23 not meet the standards provided in section 214A.2.

5 24 b. Falsely advertise the quality or kind of any  
5 25 motor fuel or a component of motor fuel.

5 26 c. Add a coloring matter to the motor fuel which  
5 27 misleads a person who is purchasing the motor fuel  
5 28 about the quality of the motor fuel.

5 29 2. For a renewable fuel, all of the following  
5 30 applies:

5 31 a. A person shall not knowingly falsely advertise  
5 32 that a motor fuel is a renewable fuel or is not a  
5 33 renewable fuel.

5 34 b. (1) Ethanol blended gasoline sold by a dealer  
5 35 shall be designated E=xx where "xx" is the volume  
5 36 percent of ethanol in the ethanol blended gasoline. A

5 37 person shall not knowingly falsely advertise ethanol  
5 38 blended gasoline by using an inaccurate designation in  
5 39 violation of this subparagraph.  
5 40 (2) Biodiesel blended fuel shall be designated B=  
5 41 xx where "xx" is the volume percent of biodiesel in  
5 42 the biodiesel blended fuel. A person shall not  
5 43 knowingly falsely advertise biodiesel blended fuel by  
5 44 using an inaccurate designation in violation of this  
5 45 subparagraph.

5 46 Sec. 10. Section 214A.8, Code 2005, is amended to  
5 47 read as follows:

5 48 214A.8 PROHIBITION.

5 49 ~~A retail or wholesale dealer defined in this~~  
5 50 ~~chapter shall not knowingly sell any motor vehicle~~  
6 1 ~~fuel or an oxygenate octane enhancer in the state that~~  
6 2 ~~fails to meet applicable standards and specifications~~  
6 3 ~~set out in this chapter as provided in section 214A.2.~~

6 4 Sec. 11. Section 214A.11, Code 2005, is amended to  
6 5 read as follows:

6 6 214A.11 VIOLATIONS PENALTY.

6 7 ~~Any A person violating the provisions who knowingly~~  
6 8 ~~violates a provision of this chapter shall be is~~  
6 9 ~~guilty of a simple serious misdemeanor.~~

6 10 DIVISION II

6 11 RENEWABLE FUEL AND ENERGY

6 12 Sec. 12. Section 15.103, subsection 1, paragraph  
6 13 b, subparagraph (7), Code Supplement 2005, is amended  
6 14 to read as follows:

6 15 (7) Economics or alternative and renewable energy  
6 16 including the alternative and renewable energy sectors  
6 17 listed in section 476.42, subsection 1, paragraph "a".

6 18 Sec. 13. Section 15E.61, unnumbered paragraph 1,  
6 19 Code 2005, is amended to read as follows:

6 20 The general assembly finds the following:

6 21 Fundamental changes have occurred in national and  
6 22 international financial markets and in the financial  
6 23 markets of this state. A critical shortage of seed  
6 24 and venture capital resources exists in the state, and  
6 25 such shortage is impairing the growth of commerce in  
6 26 the state. A need exists to increase the availability  
6 27 of venture equity capital for emerging, expanding, and  
6 28 restructuring enterprises in Iowa, including, without  
6 29 limitation, enterprises in the life sciences, advanced  
6 30 manufacturing, information technology, alternative and  
6 31 renewable energy including the alternative and  
6 32 renewable energy sectors listed in section 476.42,  
6 33 subsection 1, paragraph "a", and value-added

6 34 agriculture areas. Such investments will create jobs  
6 35 for Iowans and will help to diversify the state's  
6 36 economic base.

6 37 Sec. 14. Section 15E.223, subsection 4, Code 2005,  
6 38 is amended to read as follows:

6 39 4. "Targeted industry business" means an existing  
6 40 or proposed business entity, including an emerging  
6 41 small business or qualified business which is operated  
6 42 for profit and which has a primary business purpose of  
6 43 doing business in at least one of the targeted  
6 44 industries designated by the department which include  
6 45 life sciences, software and information technology,  
6 46 advanced manufacturing, value-added agriculture,  
6 47 alternative and renewable energy including the  
6 48 alternative and renewable energy sectors listed in  
6 49 section 476.42, subsection 1, paragraph "a", and any

6 50 other industry designated as a targeted industry by  
7 1 the department.

7 2 Sec. 15. Section 15E.231, subsection 1, Code  
7 3 Supplement 2005, is amended by adding the following  
7 4 new paragraph:

7 5 NEW PARAGRAPH. h. Development of the alternative  
7 6 and renewable energy sector.

7 7 Sec. 16. Section 15E.351, subsection 1, Code  
7 8 Supplement 2005, is amended to read as follows:

7 9 1. The department shall establish and administer a  
7 10 business accelerator program to provide financial  
7 11 assistance for the establishment and operation of a  
7 12 business accelerator for technology-based, value-added  
7 13 agricultural, information solutions, alternative and  
7 14 renewable energy including the alternative and  
7 15 renewable energy sectors listed in section 476.42,

7 16 subsection 1, paragraph "a", or advanced manufacturing  
7 17 start-up businesses or for a satellite of an existing

7 18 business accelerator. The program shall be designed  
7 19 to foster the accelerated growth of new and existing  
7 20 businesses through the provision of technical  
7 21 assistance. The department shall use moneys  
7 22 appropriated to the department from the grow Iowa  
7 23 values fund pursuant to section 15G.111, subsection 1,  
7 24 subject to the approval of the economic development  
7 25 board, to provide financial assistance under this  
7 26 section.

7 27 Sec. 17. Section 260C.18A, subsection 2,  
7 28 unnumbered paragraph 1, Code Supplement 2005, is  
7 29 amended to read as follows:

7 30 Moneys deposited in the funds and disbursed to  
7 31 community colleges for a fiscal year shall be expended  
7 32 for the following purposes, provided seventy percent  
7 33 of the moneys shall be used on projects in the areas  
7 34 of advanced manufacturing, information technology and  
7 35 insurance, alternative and renewable energy including  
7 36 the alternative and renewable energy sectors listed in  
7 37 section 476.42, subsection 1, paragraph "a", and life  
7 38 sciences which include the areas of biotechnology,  
7 39 health care technology, and nursing care technology:

7 40 Sec. 18. Section 323A.1, Code 2005, is amended by  
7 41 adding the following new subsections:

7 42 NEW SUBSECTION. 0A. "E=85 gasoline" means the  
7 43 same as defined in section 214A.1.

7 44 NEW SUBSECTION. 0B. "Ethanol blended gasoline"  
7 45 means the same as defined in section 214A.1.

7 46 Sec. 19. Section 323A.1, subsection 4, Code 2005,  
7 47 is amended to read as follows:

7 48 4. "Motor fuel" means ~~gasoline or diesel fuel the~~  
7 49 ~~same as motor fuel as defined in section 214A.1, which~~  
7 50 ~~is of a type distributed for use as a fuel in self-~~

8 1 ~~propelled vehicles designed primarily for use on~~  
8 2 ~~public streets, roads, and highways.~~

8 3 Sec. 20. Section 323A.2, subsection 1, paragraph  
8 4 a, Code 2005, is amended to read as follows:

8 5 a. At least forty-eight hours prior to entering  
8 6 into an agreement to purchase motor fuel from another  
8 7 source, the franchisee has requested delivery of motor  
8 8 fuel from the franchisor and the requested motor fuel  
8 9 has not been delivered and the franchisor has given  
8 10 the franchisee notice that the franchisor is unable to  
8 11 provide the requested motor fuel, or prior to entering  
8 12 into an agreement the franchisor has stated to the  
8 13 franchisee that the requested motor fuel will not be  
8 14 delivered. The request to the franchisor for delivery  
8 15 shall be for a type of fuel normally provided by the  
8 16 franchisor to the franchisee and for a quantity of  
8 17 fuel not exceeding the average amount sold by the  
8 18 franchisee in one week, based upon average weekly  
8 19 sales in the three months preceding the request,  
8 20 except that this provision shall not restrict a  
8 21 franchisee from purchasing ethanol blended gasoline  
8 22 from a source other than the franchisor or limit the  
8 23 quantity to be purchased when the franchisor does not  
8 24 normally supply the franchisee with ethanol blended  
8 25 gasoline. A franchisee may also purchase E=85  
8 26 gasoline as provided in section 323A.2A.

8 27 Sec. 21. NEW SECTION. 323A.2A PURCHASE OF E=85  
8 28 GASOLINE FROM OTHER SOURCE.

8 29 1. a. When on and after the effective date of  
8 30 this section of this Act, a franchise is entered into  
8 31 or renewed, the franchisor shall provide for the  
8 32 delivery of volumes of E=85 gasoline at times demanded  
8 33 by the franchisee or shall allow the franchisee to  
8 34 purchase those volumes of E=85 gasoline at those times  
8 35 from another source.

8 36 b. If a franchise is in effect on the effective  
8 37 date of this section of this Act and does not have an  
8 38 expiration date, the franchisor shall provide for the  
8 39 delivery of volumes of E=85 gasoline at times demanded  
8 40 by the franchisee or shall allow the franchisee to  
8 41 purchase those volumes of E=85 gasoline at those times  
8 42 from another source.

8 43 2. If the franchisee sells E=85 gasoline delivered  
8 44 from a source other than the franchisor, the  
8 45 franchisee shall prominently post a sign disclosing  
8 46 this fact to the public on each motor fuel pump used  
8 47 for dispensing the E=85 gasoline. The size of the  
8 48 sign shall not be less than eight inches by ten inches

8 49 and the letters on the sign shall be at least three  
8 50 inches in height.

9 1 3. A franchisee who sells E=85 gasoline delivered  
9 2 from a source other than the franchisor shall also  
9 3 fully indemnify the franchisor against any claims  
9 4 asserted by a user on which the claimant prevails and  
9 5 in which the court determines that E=85 gasoline not  
9 6 acquired from the franchisor was the proximate cause  
9 7 of the injury.

9 8 4. a. A purchase of E=85 gasoline in accordance  
9 9 with this section is not good cause for the  
9 10 termination of a franchise.

9 11 b. A term of a franchise that is inconsistent with  
9 12 this section is void and unenforceable.

### 9 13 SUBCHAPTER III

#### 9 14 RENEWABLE FUEL INFRASTRUCTURE

9 15 Sec. 22. NEW SECTION. 455G.31 E=85 GASOLINE  
9 16 STORAGE AND DISPENSING INFRASTRUCTURE.

9 17 1. As used in this section, "gasoline storage and  
9 18 dispensing infrastructure" means any storage tank  
9 19 located below ground or above ground and any  
9 20 associated equipment including but not limited to a  
9 21 pipe, hose, connection, fitting seal, or pump, which  
9 22 is used to store, measure, and dispense gasoline by a  
9 23 retail dealer as defined in section 214A.1.

9 24 2. A retail dealer may use gasoline storage and  
9 25 dispensing infrastructure to store and dispense E=85  
9 26 gasoline, if all of the following apply:

9 27 a. For gasoline storage and dispensing  
9 28 infrastructure other than the dispenser, the  
9 29 department must determine that it is compatible with  
9 30 E=85 gasoline.

9 31 b. For a dispenser, the manufacturer must state  
9 32 all of the following:

9 33 (1) That the equipment is, in the opinion of the  
9 34 manufacturer, not incompatible with E=85 gasoline.

9 35 (2) The manufacturer has initiated the process of  
9 36 applying to an independent testing laboratory for  
9 37 listing of the equipment for use in dispensing E=85  
9 38 gasoline.

9 39 A manufacturer's statement must include a written  
9 40 statement, with reference to a particular type and  
9 41 model of equipment, signed by a responsible official  
9 42 on behalf of the manufacturer, provided either to the  
9 43 retail dealer using the gasoline storage and  
9 44 dispensing infrastructure or to the department of  
9 45 natural resources or the department of public safety.  
9 46 If the written statement is provided to a retail  
9 47 dealer, the statement shall be retained in the files  
9 48 on the premises of the retail dealer and shall be  
9 49 available to personnel of the department of natural  
9 50 resources or the department of public safety upon  
10 1 request.

10 2 3. This section is repealed July 1, 2009.

10 3 Sec. 23. EFFECTIVE DATE.

10 4 1. The sections of this Act amending sections  
10 5 323A.1 and 323A.2, being deemed of immediate  
10 6 importance, take effect upon enactment.

10 7 2. Section 323A.2A, as enacted in this Act, being  
10 8 deemed of immediate importance, takes effect upon  
10 9 enactment.

### 10 10 DIVISION III

#### 10 11 RENEWABLE FUEL INFRASTRUCTURE PROGRAMS

##### 10 12 SUBCHAPTER II

#### 10 13 RENEWABLE FUEL INFRASTRUCTURE

10 14 Sec. 24. NEW SECTION. 15G.114 DEFINITIONS.

10 15 As used in this subchapter, unless the context  
10 16 otherwise requires:

10 17 1. "Biodiesel", "biodiesel blended fuel", "E=85  
10 18 gasoline", "gasoline", "motor fuel", "motor fuel  
10 19 pump", "retail dealer", and "retail motor fuel site"  
10 20 mean the same as defined in section 214A.1.

10 21 2. "Infrastructure board" means the renewable fuel  
10 22 infrastructure board as created in section 15G.115.

10 23 3. "Motor fuel storage and dispensing  
10 24 infrastructure" or "infrastructure" means a tank and  
10 25 motor fuel pumps necessary to keep and dispense motor  
10 26 fuel at a retail motor fuel site, including but not  
10 27 limited to all associated equipment, dispensers,  
10 28 pumps, pipes, hoses, tubes, lines, fittings, valves,  
10 29 filters, seals, and covers.

10 30 4. "Terminal" means a storage and distribution  
10 31 facility for motor fuel or a blend stock such as  
10 32 ethanol or biodiesel that is supplied to a motor  
10 33 vehicle, pipeline, or a marine vessel and from which  
10 34 the motor fuel or blend stock may be removed at a  
10 35 rack. "Terminal" does not include any of the  
10 36 following:  
10 37 a. A retail motor fuel site.  
10 38 b. A facility at which motor fuel or special fuel,  
10 39 or blend stocks are used in the manufacture of  
10 40 products other than motor fuel and from which no motor  
10 41 fuel or special fuel is removed.  
10 42 5. "Terminal operator" means a person who has  
10 43 responsibility for, or physical control over, the  
10 44 operation of a terminal, including by ownership,  
10 45 contractual agreement, or appointment.  
10 46 Sec. 25. NEW SECTION. 15G.115 RENEWABLE FUEL  
10 47 INFRASTRUCTURE BOARD.  
10 48 A renewable fuel infrastructure board is  
10 49 established within the department.  
10 50 1. The department shall provide the infrastructure  
11 1 board with necessary facilities, items, and clerical  
11 2 support. The department shall perform administrative  
11 3 functions necessary for the management of the  
11 4 infrastructure board, and the renewable fuel  
11 5 infrastructure programs as provided in sections  
11 6 15G.116 and 15G.117, all under the direction of the  
11 7 infrastructure board.  
11 8 2. The infrastructure board shall be composed of  
11 9 nine members who shall be appointed by the governor as  
11 10 follows:  
11 11 a. One person representing insurers who is  
11 12 knowledgeable about issues relating to underground  
11 13 storage tanks.  
11 14 b. Eight persons based on nominations made by the  
11 15 titular heads of all of the following:  
11 16 (1) The agribusiness association of Iowa.  
11 17 (2) The Iowa corn growers association.  
11 18 (3) The Iowa farm bureau federation.  
11 19 (4) The Iowa motor truck association.  
11 20 (5) The Iowa soybean association.  
11 21 (6) The petroleum marketers and convenience stores  
11 22 of Iowa.  
11 23 (7) The Iowa petroleum equipment contractors  
11 24 association.  
11 25 (8) The Iowa renewable fuels association.  
11 26 3. Appointments of voting members to the  
11 27 infrastructure board are subject to the requirements  
11 28 of sections 69.16 and 69.16A. In addition, the  
11 29 appointments shall be geographically balanced. The  
11 30 governor's appointees shall be confirmed by the  
11 31 senate, pursuant to section 2.32.  
11 32 4. The members of the infrastructure board shall  
11 33 serve five-year terms beginning and ending as provided  
11 34 in section 69.19. However, the governor shall appoint  
11 35 initial members to serve for less than five years to  
11 36 ensure members serve staggered terms. A member is  
11 37 eligible for reappointment. A vacancy on the board  
11 38 shall be filled for the unexpired portion of the  
11 39 regular term in the same manner as regular  
11 40 appointments are made.  
11 41 5. The infrastructure board shall elect a  
11 42 chairperson from among its members each year on a  
11 43 rotating basis as provided by the infrastructure  
11 44 board. The infrastructure board shall meet on a  
11 45 regular basis and at the call of the chairperson or  
11 46 upon the written request to the chairperson of five or  
11 47 more members.  
11 48 6. Members of the infrastructure board are not  
11 49 entitled to receive compensation but shall receive  
11 50 reimbursement of expenses from the department as  
12 1 provided in section 7E.6.  
12 2 7. Five members of the infrastructure board  
12 3 constitute a quorum and the affirmative vote of a  
12 4 majority of the members present is necessary for any  
12 5 substantive action to be taken by the infrastructure  
12 6 board. The majority shall not include any member who  
12 7 has a conflict of interest and a statement by a member  
12 8 that the member has a conflict of interest is  
12 9 conclusive for this purpose. A vacancy in the  
12 10 membership does not impair the duties of the

12 11 infrastructure board.

12 12 Sec. 26. NEW SECTION. 15G.116 RENEWABLE FUEL

12 13 INFRASTRUCTURE PROGRAM FOR RETAIL MOTOR FUEL SITES.

12 14 A renewable fuel infrastructure program is

12 15 established in the department under the direction of

12 16 the renewable fuel infrastructure board created

12 17 pursuant to section 15G.115.

12 18 1. The purpose of the program is to improve a

12 19 retail motor fuel site by installing, replacing, or

12 20 converting motor fuel storage and dispensing

12 21 infrastructure. The infrastructure must be designed

12 22 and shall be used exclusively to store and dispense E=

12 23 85 gasoline, biodiesel, or biodiesel blended fuel on

12 24 the premises of retail motor fuel sites operated by

12 25 retail dealers.

12 26 2. The department shall award financial incentives

12 27 to a person participating in the program as directed

12 28 by the infrastructure board on a cost-share basis. To

12 29 all extent practical, the program shall be

12 30 administered in conjunction with the programs provided

12 31 in section 15.401. The department shall contract with

12 32 a qualified organization to evaluate applications for

12 33 referral to the department and evaluation and approval

12 34 by the infrastructure board.

12 35 3. The infrastructure board shall approve cost=

12 36 share agreements executed by the department and

12 37 persons that the infrastructure board determines are

12 38 eligible as provided in this section, according to

12 39 terms and conditions required by the infrastructure

12 40 board. The infrastructure board shall determine the

12 41 amount of the financial incentives to be awarded to a

12 42 person participating in the program. In order to be

12 43 eligible to participate in the program all of the

12 44 following must apply:

12 45 a. The person must be an owner or operator of the

12 46 retail motor fuel site.

12 47 b. The person must apply to the department in a

12 48 manner and according to procedures required by the

12 49 infrastructure board. The application must contain

12 50 all information required by the infrastructure board

13 1 and shall at least include all of the following:

13 2 (1) The name of the person and the address of the

13 3 retail motor fuel site to be improved.

13 4 (2) A detailed description of the infrastructure

13 5 to be installed, replaced, or converted, including but

13 6 not limited to the model number of each installed,

13 7 replaced, or converted motor fuel storage tank if

13 8 available.

13 9 (3) A statement describing how the retail motor

13 10 fuel site is to be improved, the total estimated cost

13 11 of the planned improvement, and the date when the

13 12 infrastructure will be first used to store and

13 13 dispense the renewable fuel.

13 14 (4) A statement certifying that the infrastructure

13 15 shall not be used to store or dispense motor fuel

13 16 other than E=85 gasoline, biodiesel, or biodiesel

13 17 blended fuel, unless granted a waiver by the

13 18 infrastructure board pursuant to this section.

13 19 4. A retail motor fuel site which is improved

13 20 using financial incentives must comply with federal

13 21 and state standards governing new or upgraded motor

13 22 fuel storage tanks used to store and dispense the

13 23 renewable fuel. A site classified as a no further

13 24 action site pursuant to a certificate issued by the

13 25 department of natural resources under section 455B.474

13 26 shall retain its classification following

13 27 modifications necessary to store and dispense the

13 28 renewable fuel and the owner or operator shall not be

13 29 required to perform a new site assessment unless the

13 30 site causes a clear, present, and impending danger to

13 31 the public health or the environment.

13 32 5. a. For the period beginning July 1, 2006, and

13 33 ending June 30, 2009, the department upon direction of

13 34 the infrastructure board shall distribute financial

13 35 incentives to improve retail motor fuel sites located

13 36 within each of the six geographic regions described in

13 37 section 173.4A.

13 38 b. The infrastructure board shall not approve a

13 39 cost-share agreement which awards financial incentives

13 40 to install, replace, or convert infrastructure

13 41 associated with more than one motor fuel storage tank



13 42 or motor fuel pump located at the same retail motor  
13 43 fuel site.

13 44 6. An award of financial incentives to a  
13 45 participating person shall be in the form of a grant.

13 46 a. In order to participate in the program an  
13 47 eligible person must execute a cost-share agreement  
13 48 with the department as approved by the infrastructure  
13 49 board in which the person contributes a percentage of  
13 50 the total costs related to improving the retail motor  
14 1 fuel site. The financial incentives awarded to the  
14 2 participating person shall not exceed thirty percent  
14 3 of the estimated cost of making the improvements or  
14 4 thirty percent of the actual cost of making the  
14 5 improvements, whichever is less.

14 6 b. The infrastructure board shall not approve an  
14 7 award of more than thirty thousand dollars to improve  
14 8 a retail motor fuel site. The infrastructure board  
14 9 may approve multiple awards to make improvements to a  
14 10 retail motor fuel site so long as the total amount of  
14 11 the awards in all years is not more than thirty  
14 12 thousand dollars.

14 13 c. A participating person shall not use the  
14 14 infrastructure to store or dispense motor fuel other  
14 15 than E-85 gasoline, biodiesel, or biodiesel blended  
14 16 fuel unless one of the following applies:

14 17 (1) The participating person is granted a waiver  
14 18 by the infrastructure board. The participating person  
14 19 shall store or dispense the motor fuel according to  
14 20 the terms and conditions of the waiver.

14 21 (2) The infrastructure fund is immediately repaid  
14 22 the total amount of moneys awarded to the  
14 23 participating person together with a monetary penalty  
14 24 equal to twenty-five percent of that awarded amount.

14 25 d. A participating person who acts in violation of  
14 26 an agreement executed with the department pursuant to  
14 27 this section is subject to a civil penalty of not more  
14 28 than one thousand dollars a day for each day of the  
14 29 violation. The civil penalty shall be deposited into  
14 30 the general fund of the state.

14 31 e. The infrastructure board shall submit a report  
14 32 to the general assembly each year which provides the  
14 33 same information as required in section 15.104,  
14 34 subsection 9.

14 35 Sec. 27. NEW SECTION. 15G.117 RENEWABLE FUEL  
14 36 INFRASTRUCTURE PROGRAM FOR BIODIESEL TERMINAL  
14 37 FACILITIES.

14 38 The department, under the direction of the  
14 39 renewable fuel infrastructure board created in section  
14 40 15G.115, and in cooperation with the Iowa  
14 41 comprehensive petroleum underground storage tank fund  
14 42 board as provided in chapter 455G, shall establish and  
14 43 administer a renewable fuel infrastructure program for  
14 44 terminal facilities that store and dispense biodiesel  
14 45 or biodiesel blended fuel. The infrastructure must be  
14 46 designed and shall be used exclusively to store and  
14 47 distribute biodiesel or biodiesel blended fuel. The  
14 48 department as directed by the infrastructure board  
14 49 shall provide a cost-share program for financial  
14 50 incentives.

15 1 1. To all extent practical, the program shall be  
15 2 administered in conjunction with the programs provided  
15 3 in section 15.401. The department shall contract with  
15 4 a qualified organization to evaluate applications for  
15 5 referral to the department and evaluation and approval  
15 6 by the infrastructure board.

15 7 2. The department shall award financial incentives  
15 8 to a terminal operator participating in the program as  
15 9 directed by the infrastructure board. In order to be  
15 10 eligible to participate in the program, the terminal  
15 11 operator must apply to the department in a manner and  
15 12 according to procedures required by the infrastructure  
15 13 board. The application must contain information  
15 14 required by the infrastructure board and shall at  
15 15 least include all of the following:

15 16 a. The name of the terminal operator and the  
15 17 address of the terminal to be improved.

15 18 b. A detailed description of the infrastructure to  
15 19 be installed, replaced, or converted.

15 20 c. A statement describing how the terminal is to  
15 21 be improved, the total estimated cost of the planned  
15 22 improvement, and the date when the infrastructure will

15 23 be first used to store and distribute biodiesel or  
15 24 biodiesel blended fuel.  
15 25 d. A statement certifying that the infrastructure  
15 26 shall not be used to store or dispense motor fuel  
15 27 other than biodiesel or biodiesel blended fuel, unless  
15 28 granted a waiver by the infrastructure board pursuant  
15 29 to this section.  
15 30 3. The department's award of financial incentives  
15 31 to a participating terminal operator shall be in the  
15 32 form of a grant. In order to participate in the  
15 33 program, an eligible terminal operator must execute a  
15 34 cost-share agreement with the department in which the  
15 35 terminal operator contributes a percentage of the  
15 36 total costs related to improving the terminal. The  
15 37 financial incentives awarded to the participating  
15 38 terminal operator shall not exceed the estimated cost  
15 39 of making the improvements or the actual cost of  
15 40 making the improvements, whichever is less.  
15 41 4. A participating terminal operator shall not use  
15 42 the infrastructure to store or dispense motor fuel  
15 43 other than biodiesel or biodiesel blended fuel, unless  
15 44 one of the following applies:  
15 45 a. The participating terminal operator is granted  
15 46 a waiver by the infrastructure board. The  
15 47 participating terminal operator shall store or  
15 48 dispense the motor fuel according to the terms and  
15 49 conditions of the waiver.  
15 50 b. The infrastructure fund is immediately repaid  
16 1 the total amount of moneys awarded to the  
16 2 participating terminal operator together with a  
16 3 monetary penalty equal to twenty-five percent of that  
16 4 awarded amount.  
16 5 c. A participating terminal operator who acts in  
16 6 violation of an agreement executed with the department  
16 7 pursuant to this section is subject to a civil penalty  
16 8 of not more than one thousand dollars a day for each  
16 9 day of the violation. The civil penalty shall be  
16 10 deposited into the general fund of the state.

#### 16 11 DIVISION IV

#### 16 12 RENEWABLE FUEL INCOME TAX CREDIT PROVISIONS

16 13 Sec. 28. Section 422.11C, subsection 1, paragraphs  
16 14 a through g, Code 2005, are amended by striking the  
16 15 paragraphs and inserting in lieu thereof the  
16 16 following:

16 17 a. "E=85 gasoline", "ethanol blended gasoline",  
16 18 "gasoline", and "retail dealer" mean the same as  
16 19 defined in section 214A.1.  
16 20 b. "Motor fuel pump" means the same as motor  
16 21 vehicle fuel pump as defined in section 214.1.  
16 22 c. "Retail motor fuel site" means the same as  
16 23 defined in section 214A.1.  
16 24 d. "Sell" means to sell on a retail basis.  
16 25 e. "Tax credit" means the designated ethanol  
16 26 blended gasoline tax credit as provided in this  
16 27 section.

16 28 Sec. 29. Section 422.11C, subsection 2, paragraph  
16 29 b, Code 2005, is amended to read as follows:

16 30 b. The taxpayer operates at least one ~~service~~  
16 31 ~~station retail motor fuel site~~ at which more than  
16 32 sixty percent of the total gallons of gasoline sold  
16 33 and dispensed through one or more ~~metered motor fuel~~  
16 34 pumps by the taxpayer in the tax year is ethanol  
16 35 blended gasoline.

16 36 Sec. 30. Section 422.11C, subsection 3, Code 2005,  
16 37 is amended to read as follows:

16 38 3. The tax credit shall be calculated separately  
16 39 for each ~~service station retail motor fuel site~~  
16 40 operated by the taxpayer. The amount of the tax  
16 41 credit for each eligible ~~service station retail motor~~  
16 42 ~~fuel site~~ is two and one-half cents multiplied by the  
16 43 total number of gallons of ethanol blended gasoline  
16 44 sold and dispensed through all ~~metered motor fuel~~  
16 45 pumps located at that ~~service station retail motor~~  
16 46 ~~fuel site~~ during the tax year in excess of sixty  
16 47 percent of all gasoline sold and dispensed through  
16 48 ~~metered motor fuel~~ pumps at that ~~service station~~  
16 49 ~~retail motor fuel site~~ during the tax year.

16 50 3A. A taxpayer is not eligible to claim a  
17 1 designated ethanol blended gasoline tax credit as  
17 2 provided in this section, if the taxpayer claims any  
17 3 of the following:

17 4 a. An ethanol promotion tax credit as provided in  
17 5 section 422.11N or 422.33.

17 6 b. An E=85 gasoline promotion tax credit as  
17 7 provided in section 422.11O or 422.33 for the same  
17 8 gallons of ethanol blended gasoline.

17 9 Sec. 31. Section 422.11C, Code 2005, is amended by  
17 10 adding the following new subsection:

17 11 NEW SUBSECTION. 6. This section is repealed on  
17 12 January 1, 2007.

17 13 Sec. 32. NEW SECTION. 422.11N ETHANOL PROMOTION  
17 14 TAX CREDIT.

17 15 1. As used in this section, unless the context  
17 16 otherwise requires:

17 17 a. "E=85 gasoline", "ethanol", "ethanol blended  
17 18 gasoline", "gasoline", "motor fuel pump", and "retail  
17 19 dealer" mean the same as defined in section 214A.1.

17 20 b. "Sell" means to sell on a retail basis.

17 21 c. "Tax credit" means the ethanol promotion tax  
17 22 credit as provided in this section.

17 23 2. The taxes imposed under this division, less the  
17 24 credits allowed under sections 422.12 and 422.12B,  
17 25 shall be reduced by an ethanol promotion tax credit  
17 26 for each tax year that the taxpayer is eligible to  
17 27 claim the tax credit under this section. In order to  
17 28 be eligible, all of the following must apply:

17 29 a. The taxpayer is a retail dealer who sells and  
17 30 dispenses ethanol blended gasoline through a motor  
17 31 fuel pump in the tax year in which the tax credit is  
17 32 claimed.

17 33 b. The retail dealer complies with requirements of  
17 34 the department to administer this section.

17 35 3. In order to receive the tax credit, the retail  
17 36 dealer must calculate all of the following:

17 37 a. The retail dealer's total gasoline gallonage as  
17 38 provided in section 452A.31.

17 39 b. The retail dealer's total ethanol gallonage as  
17 40 provided in section 452A.31. The retail dealer may  
17 41 calculate the ethanol gallonage based on the schedule  
17 42 provided in section 452A.32.

17 43 4. The tax credit is calculated by multiplying  
17 44 five cents by the retail dealer's total ethanol  
17 45 gallonage as provided in section 452A.31 as follows:

17 46 a. For each calendar year beginning during the  
17 47 period commencing January 1, 2006, and ending December  
17 48 31, 2010, the tax credit shall be five cents  
17 49 multiplied by the retail dealer's total ethanol  
17 50 gallonage.

18 1 b. For each calendar year beginning during the  
18 2 period commencing January 1, 2011, and ending December  
18 3 31, 2025, the tax credit shall be calculated as  
18 4 follows:

18 5 (1) Take the retail dealer's total ethanol  
18 6 gallonage which is the minuend.

18 7 (2) Multiply the retail dealer's total gasoline  
18 8 gallonage by a deductible percentage and round off the  
18 9 resulting product to the nearest whole number to  
18 10 obtain the subtrahend. For calendar year 2011, the  
18 11 deductible percentage is one percent. For each  
18 12 subsequent calendar year, the deductible percentage  
18 13 shall keep increasing by one percent.

18 14 (3) Subtract the subtrahend from the minuend to  
18 15 obtain the retail dealer's resulting qualifying  
18 16 ethanol gallonage.

18 17 (4) Multiply the retail dealer's resulting  
18 18 qualifying ethanol gallonage by five cents.

18 19 c. If a retail dealer's tax year ends prior to  
18 20 December 31 of a calendar year, the retail dealer may  
18 21 continue to claim the tax credit in the retail  
18 22 dealer's following tax year. In that case, the tax  
18 23 credit shall be five cents multiplied by the retail  
18 24 dealer's total ethanol gallonage for the period  
18 25 beginning on the first day of the retail dealer's new  
18 26 tax year until December 31. For that period, the tax  
18 27 credit shall be calculated in the same manner as a  
18 28 retail dealer whose tax year began on the previous  
18 29 January 1 and who is calculating the tax credit on  
18 30 that same December 31.

18 31 5. a. A retail dealer is eligible to claim an  
18 32 ethanol promotion tax credit as provided in this  
18 33 section even though the retail dealer claims an E=85  
18 34 gasoline promotion tax credit pursuant to section

18 35 422.110 for the same tax year and for the same ethanol  
18 36 gallonage.

18 37 b. A retail dealer is not eligible to claim an  
18 38 ethanol promotion tax credit as provided in this  
18 39 section if the retail dealer claims a designated  
18 40 ethanol blended gasoline tax credit as provided in  
18 41 section 422.11C.

18 42 6. Any credit in excess of the retail dealer's tax  
18 43 liability shall be refunded. In lieu of claiming a  
18 44 refund, the retail dealer may elect to have the  
18 45 overpayment shown on the retail dealer's final,  
18 46 completed return credited to the tax liability for the  
18 47 following tax year.

18 48 7. An individual may claim the tax credit allowed  
18 49 a partnership, limited liability company, S  
18 50 corporation, estate, or trust electing to have the  
19 1 income taxed directly to the individual. The amount  
19 2 claimed by the individual shall be based upon the pro  
19 3 rata share of the individual's earnings of a  
19 4 partnership, limited liability company, S corporation,  
19 5 estate, or trust.

19 6 8. This section is repealed on January 1, 2026.

19 7 Sec. 33. NEW SECTION. 422.110 E=85 GASOLINE  
19 8 PROMOTION TAX CREDIT.

19 9 1. As used in this section, unless the context  
19 10 otherwise requires:

19 11 a. "E=85 gasoline", "ethanol", "gasoline", "motor  
19 12 fuel pump", and "retail dealer" mean the same as  
19 13 defined in section 214A.1.

19 14 b. "Sell" means to sell on a retail basis.

19 15 c. "Tax credit" means the E=85 gasoline promotion  
19 16 tax credit as provided in this section.

19 17 2. The taxes imposed under this division, less the  
19 18 credits allowed under sections 422.12 and 422.12B,  
19 19 shall be reduced by an E=85 gasoline promotion tax  
19 20 credit for each tax year that the taxpayer is eligible  
19 21 to claim under this subsection. In order to be  
19 22 eligible, all of the following must apply:

19 23 a. The taxpayer is a retail dealer who sells and  
19 24 dispenses E=85 gasoline through a motor fuel pump in  
19 25 the tax year in which the tax credit is claimed.

19 26 b. The retail dealer complies with requirements of  
19 27 the department to administer this section.

19 28 3. The amount of the tax credit for a retail  
19 29 dealer is calculated by multiplying a designated rate  
19 30 by the retail dealer's total E=85 gasoline gallonage  
19 31 as provided in sections 452A.31 and 452A.32. The  
19 32 designated rate is as follows:

19 33 a. For calendar year 2006 or calendar year 2007,  
19 34 twenty-five cents.

19 35 b. For calendar year 2008 or calendar year 2009,  
19 36 twenty cents.

19 37 c. For calendar year 2010, ten cents.

19 38 d. For calendar year 2011, nine cents.

19 39 e. For calendar year 2012, eight cents.

19 40 f. For calendar year 2013, seven cents.

19 41 g. For calendar year 2014, six cents.

19 42 h. For calendar year 2015, five cents.

19 43 i. For calendar year 2016, four cents.

19 44 j. For calendar year 2017, three cents.

19 45 k. For calendar year 2018, two cents.

19 46 l. For calendar year 2019, one cent.

19 47 4. If a retail dealer's tax year ends prior to  
19 48 December 31 of a calendar year, the retail dealer may  
19 49 continue to claim the tax credit in the retail  
19 50 dealer's following tax year. In that case, the tax  
20 1 credit shall be the designated rate multiplied by the  
20 2 retail dealer's total E=85 gasoline gallonage for the  
20 3 remaining period beginning on the first day of the  
20 4 retail dealer's new tax year until the next December  
20 5 31. For that remaining period, the tax credit shall  
20 6 be calculated in the same manner as a retail dealer  
20 7 whose tax year began on the previous January 1 and who  
20 8 is calculating the tax credit on that same December  
20 9 31.

20 10 5. a. A retail dealer is eligible to claim an E=  
20 11 85 gasoline promotion tax credit as provided in this  
20 12 section even though the retail dealer claims an  
20 13 ethanol promotion tax credit pursuant to section  
20 14 422.11N for the same tax year for the same ethanol  
20 15 gallonage.

20 16 b. A retail dealer is not eligible to claim an E=

20 17 85 gasoline tax credit as provided in this section, if

20 18 the retail dealer claims a designated ethanol blended

20 19 gasoline tax credit as provided in section 422.11C.

20 20 6. Any credit in excess of the retail dealer's tax

20 21 liability shall be refunded. In lieu of claiming a

20 22 refund, the retail dealer may elect to have the

20 23 overpayment shown on the retail dealer's final,

20 24 completed return credited to the tax liability for the

20 25 following tax year.

20 26 7. An individual may claim the tax credit allowed

20 27 a partnership, limited liability company, S

20 28 corporation, estate, or trust electing to have the

20 29 income taxed directly to the individual. The amount

20 30 claimed by the individual shall be based upon the pro

20 31 rata share of the individual's earnings of a

20 32 partnership, limited liability company, S corporation,

20 33 estate, or trust.

20 34 8. This section is repealed on January 1, 2020.

20 35 Sec. 34. NEW SECTION. 422.11P BIODIESEL BLENDED

20 36 FUEL TAX CREDIT.

20 37 1. As used in this section, unless the context

20 38 otherwise requires:

20 39 a. "Biodiesel blended fuel", "diesel fuel", and

20 40 "retail dealer" mean the same as defined in section

20 41 214A.1.

20 42 b. "Motor fuel pump" means the same as defined in

20 43 section 214.1.

20 44 c. "Sell" means to sell on a retail basis.

20 45 d. "Tax credit" means a biodiesel blended fuel tax

20 46 credit as provided in this section.

20 47 2. The taxes imposed under this division, less the

20 48 credits allowed under sections 422.12 and 422.12B,

20 49 shall be reduced by the amount of the biodiesel

20 50 blended fuel tax credit for each tax year that the

21 1 taxpayer is eligible to claim a tax credit under this

21 2 subsection.

21 3 a. In order to be eligible, all of the following

21 4 must apply:

21 5 (1) The taxpayer is a retail dealer who sells and

21 6 dispenses biodiesel blended fuel through a motor fuel

21 7 pump in the tax year in which the tax credit is

21 8 claimed.

21 9 (2) Of the total gallons of diesel fuel that the

21 10 retail dealer sells and dispenses through all motor

21 11 fuel pumps during the retail dealer's tax year, fifty

21 12 percent or more is biodiesel blended fuel which meets

21 13 the requirements of this section.

21 14 (3) The retail dealer complies with requirements

21 15 of the department established to administer this

21 16 section.

21 17 b. The tax credit shall apply to biodiesel blended

21 18 fuel formulated with a minimum percentage of two

21 19 percent by volume of biodiesel, if the formulation

21 20 meets the standards provided in section 214A.2.

21 21 3. The amount of the tax credit is three cents

21 22 multiplied by the total number of gallons of biodiesel

21 23 blended fuel sold and dispensed by the retail dealer

21 24 through all motor fuel pumps operated by the retail

21 25 dealer during the retail dealer's tax year.

21 26 4. Any credit in excess of the retail dealer's tax

21 27 liability shall be refunded. In lieu of claiming a

21 28 refund, the retail dealer may elect to have the

21 29 overpayment shown on the retail dealer's final,

21 30 completed return credited to the tax liability for the

21 31 following tax year.

21 32 5. An individual may claim the tax credit allowed

21 33 a partnership, limited liability company, S

21 34 corporation, estate, or trust electing to have the

21 35 income taxed directly to the individual. The amount

21 36 claimed by the individual shall be based upon the pro

21 37 rata share of the individual's earnings of the

21 38 partnership, limited liability company, S corporation,

21 39 estate, or trust.

21 40 6. This section is repealed January 1, 2012.

21 41 Sec. 35. Section 422.33, subsection 11, paragraph

21 42 a, subparagraph (1), Code Supplement 2005, is amended

21 43 to read as follows:

21 44 (1) "Ethanol "E=85 gasoline", "ethanol blended

21 45 gasoline", "gasoline", "metered pump", "motor fuel

21 46 pump", "retail dealer", "retail motor fuel site", and

21 47 "sell", and "service station" mean the same as defined  
21 48 in section 422.11C.

21 49 Sec. 36. Section 422.33, subsection 11, paragraph  
21 50 b, subparagraph (2), Code Supplement 2005, is amended  
22 1 to read as follows:

22 2 (2) The taxpayer operates at least one ~~service~~  
22 3 ~~station retail motor fuel site~~ at which more than  
22 4 sixty percent of the total gallons of gasoline sold  
22 5 and dispensed through one or more ~~metered motor fuel~~  
22 6 pumps by the taxpayer is ethanol blended gasoline.

22 7 Sec. 37. Section 422.33, subsection 11, paragraph  
22 8 c, Code Supplement 2005, is amended to read as  
22 9 follows:

22 10 c. (1) The tax credit shall be calculated  
22 11 separately for each ~~service station retail motor fuel~~  
22 12 ~~site operated by the taxpayer.~~

22 13 (2) The amount of the tax credit for each eligible  
22 14 ~~service station retail motor fuel site~~ is two and one=  
22 15 half cents multiplied by the total number of gallons  
22 16 of ethanol blended gasoline sold and dispensed through  
22 17 all ~~metered motor fuel~~ pumps located at that ~~service~~  
22 18 ~~station retail motor fuel site~~ during the tax year in  
22 19 excess of sixty percent of all gasoline sold and  
22 20 dispensed through ~~metered motor fuel~~ pumps at that  
22 21 ~~service station retail motor fuel site~~ during the tax  
22 22 year.

22 23 (3) A taxpayer is not eligible to claim a  
22 24 ~~designated ethanol blended gasoline tax credit as~~  
22 25 ~~provided in this subsection, if the taxpayer claims~~  
22 26 ~~any of the following:~~

22 27 (a) ~~An ethanol promotion tax credit as provided in~~  
22 28 ~~section 422.11N or this section.~~

22 29 (b) ~~An E=85 promotion tax credit as provided in~~  
22 30 ~~section 422.110 or this section for the same gallons~~  
22 31 ~~of ethanol blended gasoline.~~

22 32 Sec. 38. Section 422.33, subsection 11, Code  
22 33 Supplement 2005, is amended by adding the following  
22 34 new paragraph:

22 35 NEW PARAGRAPH. e. This subsection is repealed on  
22 36 January 1, 2007.

22 37 Sec. 39. Section 422.33, Code Supplement 2005, is  
22 38 amended by adding the following new subsections:

22 39 NEW SUBSECTION. 11A. The taxes imposed under this  
22 40 division shall be reduced by an ethanol promotion tax  
22 41 credit for each tax year that the taxpayer is eligible  
22 42 to claim the tax credit under this subsection.

22 43 a. The taxpayer shall claim the tax credit in the  
22 44 same manner as provided in section 422.11N. The  
22 45 taxpayer may claim the tax credit according to the  
22 46 same requirements, for the same amount, and calculated  
22 47 in the same manner, as provided for the ethanol  
22 48 promotion tax credit pursuant to section 422.11N.

22 49 b. Any ethanol promotion tax credit which is in  
22 50 excess of the taxpayer's tax liability shall be  
23 1 refunded or may be shown on the taxpayer's final,  
23 2 completed return credited to the tax liability for the  
23 3 following tax year in the same manner as provided in  
23 4 section 422.11N.

23 5 c. This subsection is repealed on January 1, 2026.

23 6 NEW SUBSECTION. 11B. The taxes imposed under this  
23 7 division shall be reduced by an E=85 gasoline  
23 8 promotion tax credit for each tax year that the  
23 9 taxpayer is eligible to claim the tax credit under  
23 10 this subsection.

23 11 a. The taxpayer shall claim the tax credit in the  
23 12 same manner as provided in section 422.110. The  
23 13 taxpayer may claim the tax credit according to the  
23 14 same requirements, for the same amount, and calculated  
23 15 in the same manner, as provided for the E=85 gasoline  
23 16 promotion tax credit pursuant to section 422.110.

23 17 b. Any E=85 gasoline promotion tax credit which is  
23 18 in excess of the taxpayer's tax liability shall be  
23 19 refunded or may be shown on the taxpayer's final,  
23 20 completed return credited to the tax liability for the  
23 21 following tax year in the same manner as provided in  
23 22 section 422.110.

23 23 c. This subsection is repealed on January 1, 2020.

23 24 Sec. 40. Section 422.33, Code Supplement 2005, is  
23 25 amended by adding the following new subsection:

23 26 NEW SUBSECTION. 11C. The taxes imposed under this  
23 27 division shall be reduced by a biodiesel blended fuel

23 28 tax credit for each tax year that the taxpayer is  
23 29 eligible to claim the tax credit under this  
23 30 subsection.

23 31 a. The taxpayer may claim the biodiesel blended  
23 32 fuel tax credit according to the same requirements,  
23 33 for the same amount, and calculated in the same  
23 34 manner, as provided for the biodiesel blended fuel tax  
23 35 credit pursuant to section 422.11P.

23 36 b. Any biodiesel blended fuel tax credit which is  
23 37 in excess of the taxpayer's tax liability shall be  
23 38 refunded or may be shown on the taxpayer's final,  
23 39 completed return credited to the tax liability for the  
23 40 following tax year in the same manner as provided in  
23 41 section 422.11P.

23 42 c. This subsection is repealed on January 1, 2012.

23 43 Sec. 41. RETROACTIVE APPLICABILITY DATE. Sections  
23 44 422.11N, 422.11O, and 422.11P, as enacted in this Act,  
23 45 and section 422.33, subsections 11A, 11B, and 11C, as  
23 46 enacted in this Act, apply retroactively to tax years  
23 47 beginning on or after January 1, 2006.

23 48 Sec. 42. TAX CREDIT AVAILABILITY.

23 49 1. For a retail dealer who may claim a designated  
23 50 ethanol blended gasoline tax credit under section  
24 1 422.11C or 422.33, subsection 11, as amended by this  
24 2 Act, in calendar year 2006 and whose tax year ends  
24 3 prior to December 31, 2006, the retail dealer may  
24 4 continue to claim the tax credit in the retail  
24 5 dealer's following tax year. In that case, the tax  
24 6 credit shall be calculated in the same manner as  
24 7 provided in section 422.11C or 422.33, subsection 11,  
24 8 as amended by this Act, for the remaining period  
24 9 beginning on the first day of the retail dealer's new  
24 10 tax year until December 31, 2006. For that remaining  
24 11 period, the tax credit shall be calculated in the same  
24 12 manner as a retail dealer whose tax year began on the  
24 13 previous January 1 and who is calculating the tax  
24 14 credit on December 31, 2006.

24 15 2. For a retail dealer who may claim an ethanol  
24 16 promotion tax credit under section 422.11N or 422.33,  
24 17 subsection 11A, as enacted in this Act, in calendar  
24 18 year 2025 and whose tax year ends prior to December  
24 19 31, 2025, the retail dealer may continue to claim the  
24 20 tax credit in the retail dealer's following tax year.  
24 21 In that case, the tax credit shall be calculated in  
24 22 the same manner as provided in section 422.11N or  
24 23 422.33, subsection 11A, as enacted in this Act, for  
24 24 the remaining period beginning on the first day of the  
24 25 retail dealer's new tax year until December 31, 2025.  
24 26 For that remaining period, the tax credit shall be  
24 27 calculated in the same manner as a retail dealer whose  
24 28 tax year began on the previous January 1 and who is  
24 29 calculating the tax credit on December 31, 2025.

24 30 3. For a retail dealer who may claim an E=85  
24 31 gasoline promotion tax credit under section 422.11O or  
24 32 422.33, subsection 11B, as enacted in this Act, in  
24 33 calendar year 2019 and whose tax year ends prior to  
24 34 December 31, 2019, the retail dealer may continue to  
24 35 claim the tax credit in the retail dealer's following  
24 36 tax year. In that case, the tax credit shall be  
24 37 calculated in the same manner as provided in section  
24 38 422.11O or 422.33, subsection 11B, as enacted in this  
24 39 Act, for the remaining period beginning on the first  
24 40 day of the retail dealer's new tax year until December  
24 41 31, 2019. For that remaining period, the tax credit  
24 42 shall be calculated in the same manner as a retail  
24 43 dealer whose tax year began on the previous January 1  
24 44 and who is calculating the tax credit on December 31,  
24 45 2019.

24 46 4. For a retail dealer who may claim a biodiesel  
24 47 blended fuel tax credit under section 422.11P or  
24 48 422.33, subsection 11C, as enacted in this Act, in  
24 49 calendar year 2006 and whose tax year ends before  
24 50 December 31, 2006, the retail dealer may claim the tax  
25 1 credit during the period beginning January 1, 2006,  
25 2 and ending on the last day of the retail dealer's tax  
25 3 year, if of the total gallons of diesel fuel that the  
25 4 retail dealer sells and dispenses through all motor  
25 5 fuel pumps during that period, fifty percent or more  
25 6 is biodiesel blended fuel which meets the requirements  
25 7 of section 422.11P or 422.33, subsection 11C, as  
25 8 enacted in this Act.

25 9 5. For a retail dealer who may claim a biodiesel  
25 10 blended fuel tax credit under section 422.11P or  
25 11 422.33, subsection 11C, as enacted in this Act, in  
25 12 calendar year 2011 and whose tax year ends prior to  
25 13 December 31, 2011, the retail dealer may continue to  
25 14 claim the tax credit in the retail dealer's following  
25 15 tax year. In that case, the tax credit shall be  
25 16 calculated in the same manner as provided in section  
25 17 422.11P or 422.33, subsection 11C, as enacted in this  
25 18 Act, for the remaining period beginning on the first  
25 19 day of the retail dealer's new tax year until December  
25 20 31, 2011. For that remaining period, the tax credit  
25 21 shall be calculated in the same manner as a retail  
25 22 dealer whose tax year began on the previous January 1  
25 23 and who is calculating the tax credit on December 31,  
25 24 2011.

25 25 DIVISION V

25 26 PETROLEUM REPLACEMENT INITIATIVE

25 27 Sec. 43. Section 452A.2, subsection 2, Code  
25 28 Supplement 2005, is amended by striking the subsection  
25 29 and inserting in lieu thereof the following:

25 30 2. "Biofuel" means the same as defined in section  
25 31 214A.1.

25 32 Sec. 44. Section 452A.2, Code Supplement 2005, is  
25 33 amended by adding the following new subsections:

25 34 NEW SUBSECTION. 1A. "Biodiesel" means the same as  
25 35 defined in section 214A.1.

25 36 NEW SUBSECTION. 1B. "Biodiesel blended fuel"  
25 37 means the same as defined in section 214A.1.

25 38 NEW SUBSECTION. 9A. "E=85 gasoline" means the  
25 39 same as defined in section 214A.1.

25 40 NEW SUBSECTION. 10A. "Ethanol" means the same as  
25 41 defined in section 214A.1.

25 42 NEW SUBSECTION. 13A. "Gasoline" means the same as  
25 43 defined in section 214A.1.

25 44 NEW SUBSECTION. 19A. "Motor fuel pump" means the  
25 45 same as defined in section 214A.1.

25 46 NEW SUBSECTION. 20A. "Nonethanol blended  
25 47 gasoline" means gasoline other than ethanol blended  
25 48 gasoline.

25 49 NEW SUBSECTION. 24A. "Retail dealer" means the  
25 50 same as defined in section 214A.1.

26 1 NEW SUBSECTION. 24B. "Retail motor fuel site"  
26 2 means the same as defined in section 214A.1.

26 3 Sec. 45. Section 452A.2, subsection 11, Code  
26 4 Supplement 2005, is amended to read as follows:

26 5 11. "Ethanol blended gasoline" means ~~motor fuel~~  
26 6 ~~containing at least ten percent alcohol distilled from~~  
26 7 ~~cereal grains the same as defined in section 214A.1.~~

26 8 Sec. 46. Section 452A.2, subsection 19, unnumbered  
26 9 paragraph 1, Code Supplement 2005, is amended to read  
26 10 as follows:

26 11 "Motor fuel" means ~~both motor fuel as defined in~~  
26 12 ~~section 214A.1 and includes all~~ of the following:

26 13 Sec. 47. Section 452A.3, subsection 1A, Code 2005,  
26 14 is amended by striking the subsection and inserting in  
26 15 lieu thereof the following:

26 16 1A. Except as otherwise provided in this section  
26 17 and in this division, after June 30, 2007, this  
26 18 subsection shall apply to the excise tax imposed on  
26 19 each gallon of gasoline used for any purpose for the  
26 20 privilege of operating motor vehicles in this state.  
26 21 The amount of the excise tax is the applicable rate  
26 22 multiplied by each gallon of ethanol blended gasoline  
26 23 and nonethanol blended gasoline.

26 24 a. The applicable rate is the base rate of twenty  
26 25 cents for ethanol blended gasoline and nonethanol  
26 26 blended gasoline.

26 27 b. By March 1, following each key determination  
26 28 period as provided in section 452A.31, the department  
26 29 shall determine whether the biofuel percentage  
26 30 threshold has been met as provided in section 452A.34.

26 31 (1) If the biofuel threshold percentage has been  
26 32 met, the applicable rate of the excise tax is the base  
26 33 rate as provided in paragraph "a".

26 34 (2) If the biofuel threshold percentage has not  
26 35 been met, the applicable rate of the excise tax is a  
26 36 special rate.

26 37 (a) The special rate is calculated as follows:

26 38 (i) Multiply the biofuel threshold disparity  
26 39 factor for that key determination period as provided



26 40 in section 452A.34 by two cents to obtain the  
26 41 resulting product.

26 42 (ii) Add the resulting product to the base rate as  
26 43 if the biofuel threshold percentage had been met as  
26 44 provided in paragraph "a" to obtain the resulting sum  
26 45 which is the special rate.

26 46 (b) The special rate shall be effective as  
26 47 follows:

26 48 (i) If the biofuel threshold percentage has not  
26 49 been met during the first key determination period,  
26 50 the special rate is effective beginning on July 1,  
27 1 2010, and ending on June 30, 2015.

27 2 (ii) If the biofuel threshold percentage has not  
27 3 been met during the second key determination period,  
27 4 the special rate is effective beginning on July 1,  
27 5 2015, and ending on June 30, 2020.

27 6 (iii) If the biofuel threshold percentage has not  
27 7 been met during the third key determination period,  
27 8 the special rate is effective beginning on July 1,  
27 9 2020, and ending on June 30, 2025.

27 10 (iv) If the biofuel threshold percentage has not  
27 11 been met during the fourth key determination period,  
27 12 the special rate is effective on and after July 1,  
27 13 2025.

27 14 Sec. 48. NEW SECTION. 452A.31 SPECIAL TERMS.

27 15 For purposes of this division, all of the following  
27 16 shall apply:

27 17 1. a. A determination period is any twelve-month  
27 18 period beginning on January 1 and ending on December  
27 19 31.

27 20 b. A key determination period and key  
27 21 determination date are as follows:

27 22 (1) For the first key determination period, the  
27 23 period beginning January 1 and ending December 31,  
27 24 2009, and for the first key determination date, March  
27 25 1, 2010.

27 26 (2) For the second key determination period, the  
27 27 period beginning January 1 and ending December 31,  
27 28 2014, and for the second key determination date, March  
27 29 1, 2015.

27 30 (3) For the third key determination period, the  
27 31 period beginning January 1 and ending December 31,  
27 32 2019, and for the third key determination date, March  
27 33 1, 2020.

27 34 (4) For the fourth key determination period, the  
27 35 period beginning January 1 and ending December 31,  
27 36 2024, and for the fourth key determination date, March  
27 37 1, 2025.

27 38 2. a. A retail dealer's total gasoline gallonage  
27 39 is the total number of gallons of gasoline, which the  
27 40 retail dealer sells and dispenses from all motor fuel  
27 41 pumps operated by the retail dealer in this state  
27 42 during a twelve-month period beginning January 1 and  
27 43 ending December 31. The retail dealer's total  
27 44 gasoline gallonage is divided into the following  
27 45 classifications:

27 46 (1) The total ethanol blended gasoline gallonage  
27 47 which is the retail dealer's total number of gallons  
27 48 of ethanol blended gasoline and which includes all of  
27 49 the following subclassifications:

27 50 (a) The total E=xx gasoline gallonage which is the  
28 1 total number of gallons of ethanol blended gasoline  
28 2 other than E=85 gasoline.

28 3 (b) The total E=85 gasoline gallonage which is the  
28 4 total number of gallons of E=85 gasoline.

28 5 (2) The total nonblended gasoline gallonage which  
28 6 is the total number of gallons of nonblended ethanol  
28 7 gasoline.

28 8 b. A retail dealer's total ethanol gallonage is  
28 9 the total number of gallons of ethanol which is a  
28 10 component of ethanol blended gasoline which the retail  
28 11 dealer sells and dispenses from motor fuel pumps as  
28 12 provided in paragraph "a" during a twelve-month period  
28 13 beginning January 1 and ending December 31.

28 14 3. a. A retail dealer's total diesel fuel  
28 15 gallonage is the total number of gallons of diesel  
28 16 fuel, which the retail dealer sells and dispenses from  
28 17 all motor fuel pumps operated by the retail dealer in  
28 18 this state during a twelve-month period beginning  
28 19 January 1 and ending December 31. The retail dealer's  
28 20 total diesel fuel gallonage is divided into the

28 21 following classifications:

28 22 (1) The total biodiesel blended fuel gallonage

28 23 which is the retail dealer's total number of gallons

28 24 of biodiesel blended fuel.

28 25 (2) The total nonblended diesel fuel gallonage

28 26 which is the total number of gallons of diesel fuel

28 27 which is not biodiesel or biodiesel blended fuel.

28 28 b. A retail dealer's total biodiesel gallonage is

28 29 the total number of gallons of biodiesel which may or

28 30 may not be a component of biodiesel blended fuel, and

28 31 which the retail dealer sells and dispenses from motor

28 32 fuel pumps as provided in paragraph "a" during a

28 33 twelve-month period beginning January 1 and ending

28 34 December 31.

28 35 4. a. The aggregate gasoline gallonage is the

28 36 total number of gallons of gasoline, which all retail

28 37 dealers sell and dispense from all motor fuel pumps

28 38 operated by the retail dealers in this state during a

28 39 twelve-month period beginning January 1 and ending

28 40 December 31. The aggregate gasoline gallonage is

28 41 divided into the following classifications:

28 42 (1) The aggregate ethanol blended gasoline

28 43 gallonage which is the aggregate total number of

28 44 gallons of ethanol blended gasoline and which includes

28 45 all of the following subclassifications:

28 46 (a) The aggregate E=xx gasoline gallonage which is

28 47 the aggregate total number of gallons of ethanol

28 48 blended gasoline other than E=85 gasoline.

28 49 (b) The aggregate E=85 gasoline gallonage which is

28 50 the aggregate total number of gallons of E=85

29 1 gasoline.

29 2 (2) The aggregate nonblended gasoline gallonage,

29 3 which is the aggregate number of gallons of nonblended

29 4 ethanol gasoline.

29 5 b. The aggregate ethanol gallonage is the total

29 6 number of gallons of ethanol which is a component of

29 7 ethanol blended gasoline which all retail dealers sell

29 8 and dispense from motor fuel pumps as provided in

29 9 paragraph "a" during a twelve-month period beginning

29 10 January 1 and ending December 31.

29 11 5. a. The aggregate diesel fuel gallonage is the

29 12 total number of gallons of diesel fuel, which all

29 13 retail dealers sell and dispense from all motor fuel

29 14 pumps operated by the retail dealers in this state

29 15 during a twelve-month period beginning January 1 and

29 16 ending December 31. The aggregate diesel fuel

29 17 gallonage is divided into the following

29 18 classifications:

29 19 (1) The aggregate biodiesel blended fuel gallonage

29 20 which is the aggregate number of gallons of biodiesel

29 21 blended fuel.

29 22 (2) The aggregate nonblended diesel fuel gallonage

29 23 which is the aggregate number of gallons of diesel

29 24 fuel which is not biodiesel or biodiesel blended fuel.

29 25 b. The aggregate biodiesel gallonage is the total

29 26 number of gallons of biodiesel which may or may not be

29 27 a component of biodiesel blended fuel, and which all

29 28 retail dealers sell and dispense from motor fuel pumps

29 29 as provided in paragraph "a" during a twelve-month

29 30 period beginning January 1 and ending December 31.

29 31 6. a. The aggregate ethanol distribution

29 32 percentage is the aggregate ethanol gallonage

29 33 expressed as a percentage of the aggregate gasoline

29 34 gallonage calculated for a twelve-month period

29 35 beginning January 1 and ending December 31.

29 36 b. The aggregate per gallon distribution

29 37 percentage which is the aggregate ethanol blended

29 38 gasoline gallonage expressed as a percentage of the

29 39 aggregate gasoline gallonage.

29 40 7. a. The aggregate biodiesel distribution

29 41 percentage is the aggregate biodiesel gallonage

29 42 expressed as a percentage of the aggregate diesel fuel

29 43 gallonage calculated for a twelve-month period

29 44 beginning January 1 and ending December 31.

29 45 b. The aggregate per gallon distribution

29 46 percentage is the aggregate biodiesel blended fuel

29 47 gallonage expressed as a percentage of the aggregate

29 48 diesel fuel gallonage.

29 49 8. The aggregate biofuel distribution percentage

29 50 is the sum of the aggregate ethanol gallonage plus the

30 1 aggregate biodiesel gallonage expressed as a

30 2 percentage of the sum of the aggregate gasoline  
30 3 gallonage plus the aggregate diesel fuel gallonage.  
30 4 9. a. The biofuel threshold percentage is the  
30 5 aggregate biofuel distribution percentage required to  
30 6 be met during a key determination period as provided  
30 7 in section 452A.34.  
30 8 b. The biofuel threshold percentage disparity is a  
30 9 positive percentage difference obtained by taking the  
30 10 minuend which is the aggregate biofuel distribution  
30 11 percentage and subtracting from it the subtrahend  
30 12 which is the biofuel threshold percentage, as  
30 13 calculated for a key determination period as provided  
30 14 in section 452A.34.  
30 15 c. The biofuel threshold disparity factor is the  
30 16 biofuel threshold percentage disparity expressed as a  
30 17 positive number rounded to the nearest tenth of a  
30 18 whole number.

30 19 Sec. 49. NEW SECTION. 452A.32 SCHEDULE FOR  
30 20 AVERAGING BIOFUEL CONTENT IN MOTOR FUEL.

30 21 1. The department shall establish a schedule  
30 22 listing the average amount of ethanol contained in E=  
30 23 85 gasoline as defined in section 214A.1, for use by a  
30 24 retail dealer in calculating the retail dealer's total  
30 25 ethanol gallonage, as provided in section 452A.31. In  
30 26 establishing the schedule, the department shall assume  
30 27 that a retail dealer begins selling and dispensing E=  
30 28 85 gasoline from a motor fuel pump on the first day of  
30 29 a month and ceases selling and distributing E=85  
30 30 gasoline on the last day of a month.

30 31 2. The department shall establish a schedule  
30 32 listing the average amount of biodiesel contained in  
30 33 biodiesel blended fuel as defined in section 214A.1,  
30 34 for use by a retail dealer in calculating the retail  
30 35 dealer's total biodiesel gallonage, as provided in  
30 36 section 452A.31. In establishing the schedule, the  
30 37 department shall assume that a retail dealer begins  
30 38 selling and dispensing biodiesel blended fuel from a  
30 39 motor fuel pump on the first day of a month and ceases  
30 40 selling and distributing biodiesel blended fuel on the  
30 41 last day of a month.

30 42 Sec. 50. NEW SECTION. 452A.33 REPORTING  
30 43 REQUIREMENTS.

30 44 1. a. Each retail dealer shall report its total  
30 45 motor fuel gallonage for a determination period as  
30 46 follows:

30 47 (1) Its total gasoline gallonage and its total  
30 48 ethanol gallonage, including for each classification  
30 49 and subclassification as provided in section 452A.31.

30 50 (2) Its total diesel fuel gallonage and its total  
31 1 biodiesel gallonage, including for each classification  
31 2 and subclassification as provided in section 452A.31.

31 3 b. The retail dealer shall prepare and submit the  
31 4 report in a manner and according to procedures  
31 5 required by the department. The department may  
31 6 require that retail dealers report to the department  
31 7 on an annual, quarterly, or monthly basis.

31 8 c. The information included in a report submitted  
31 9 by a retail dealer is deemed to be a trade secret,  
31 10 protected as a confidential record pursuant to section  
31 11 22.7.

31 12 2. On or before February 1 the department shall  
31 13 deliver a report to the governor and the legislative  
31 14 services agency. The report shall compile information  
31 15 reported by retail dealers to the department as  
31 16 provided in this section and shall at least include  
31 17 all of the following:

31 18 a. (1) The aggregate gasoline gallonage for the  
31 19 previous determination period, including for all  
31 20 classifications and subclassifications as provided in  
31 21 section 452A.31.

31 22 (2) The aggregate diesel fuel gallonage for the  
31 23 previous determination period, including for all  
31 24 classifications and subclassifications as provided in  
31 25 section 452A.31.

31 26 b. (1) The aggregate ethanol distribution  
31 27 percentage for the previous determination period.

31 28 (2) The aggregate biodiesel distribution  
31 29 percentage for the previous determination period.

31 30 c. (1) The projected aggregate gasoline  
31 31 gallonage, the aggregate ethanol gallonage, and the  
31 32 projected aggregate ethanol distribution percentage,

31 33 for each future key determination period as provided  
31 34 in section 452A.34.

31 35 (2) The projected aggregate diesel fuel gallonage,  
31 36 the projected aggregate biodiesel gallonage, and the  
31 37 projected aggregate biodiesel distribution percentage,  
31 38 for each future key determination period as provided  
31 39 in section 452A.34.

31 40 (3) The projected aggregate biofuel gallonage and  
31 41 the projected aggregate biofuel distribution  
31 42 percentage, for each future key determination period  
31 43 as provided in section 452A.34.

31 44 d. The biofuel threshold percentage required for  
31 45 the next key determination period as provided in  
31 46 section 452A.34 and any projected biofuel threshold  
31 47 percentage disparity, including the amount of  
31 48 additional biofuel required to be sold and dispensed  
31 49 from all motor fuel pumps located at all retail motor  
31 50 fuel sites in this state in order to meet the next  
32 1 biofuel threshold percentage.

32 2 e. The report shall not provide information  
32 3 regarding motor fuel or biofuel which is sold and  
32 4 dispensed by an individual retail dealer or at a  
32 5 particular retail motor fuel site. The report shall  
32 6 not include a trade secret protected as a confidential  
32 7 record pursuant to section 22.7.

32 8 3. On or before February 1 of each year, the state  
32 9 department of transportation shall deliver a report to  
32 10 the governor and the legislative services agency  
32 11 providing information regarding flexible fuel vehicles  
32 12 registered in this state during the previous  
32 13 determination period. The information shall state all  
32 14 of the following:

32 15 a. The aggregate number of flexible fuel vehicles.  
32 16 b. Of the aggregate number of flexible fuel  
32 17 vehicles, all of the following:

32 18 (1) The number of flexible fuel vehicles according  
32 19 to the year of manufacture.  
32 20 (2) The number of passenger vehicles and the  
32 21 number of passenger vehicles according to the year of  
32 22 manufacture.  
32 23 (3) The number of light pickup trucks and the  
32 24 number of light pickup trucks according to the year of  
32 25 manufacture.

32 26 Sec. 51. NEW SECTION. 452A.34 BIOFUEL THRESHOLD  
32 27 PERCENTAGES.

32 28 1. The department shall determine whether a  
32 29 biofuel threshold percentage has been met on the  
32 30 following key determination dates:

32 31 a. On March 1, 2010, the department must determine  
32 32 that the aggregate biofuel distribution percentage was  
32 33 at least ten percent in order to meet the first  
32 34 biofuel threshold percentage for the key determination  
32 35 period beginning on January 1, 2009, and ending  
32 36 December 31, 2009.

32 37 b. On March 1, 2015, the department must determine  
32 38 that the aggregate biofuel distribution percentage was  
32 39 at least fifteen percent in order to meet the second  
32 40 biofuel threshold percentage for the key determination  
32 41 period beginning on January 1, 2014, and ending  
32 42 December 31, 2014.

32 43 c. On March 1, 2020, the department must determine  
32 44 that the aggregate biofuel distribution percentage was  
32 45 at least twenty percent in order to meet the third  
32 46 biofuel threshold percentage for the key determination  
32 47 period beginning on January 1, 2019, and ending  
32 48 December 31, 2019.

32 49 d. On March 1, 2025, the department must determine  
32 50 that the aggregate biofuel distribution percentage was  
33 1 at least twenty-five percent in order to meet the  
33 2 fourth biofuel threshold percentage for the key  
33 3 determination period beginning on January 1, 2024, and  
33 4 ending December 31, 2024.

33 5 2. If on a key determination date, a biofuel  
33 6 threshold percentage has not been met, the department  
33 7 shall calculate the biofuel threshold percentage  
33 8 disparity and the resulting biofuel threshold  
33 9 disparity factor as provided in section 452A.31 which  
33 10 shall be used to determine the special rate of the  
33 11 excise tax imposed on each gallon of nonethanol  
33 12 blended gasoline as provided in section 452A.3.

33 13 DIVISION VI

33 14 COORDINATING PROVISIONS == GOVERNMENT VEHICLES  
33 15 Sec. 52. Section 8A.362, subsection 3, Code 2005,  
33 16 is amended to read as follows:  
33 17 3. a. The director shall provide for a record  
33 18 system for the keeping of records of the total number  
33 19 of miles state-owned motor vehicles are driven and the  
33 20 per-mile cost of operation of each motor vehicle.  
33 21 Every state officer or employee shall keep a record  
33 22 book to be furnished by the director in which the  
33 23 officer or employee shall enter all purchases of  
33 24 gasoline, lubricating oil, grease, and other  
33 25 incidental expense in the operation of the motor  
33 26 vehicle assigned to the officer or employee, giving  
33 27 the quantity and price of each purchase, including the  
33 28 cost and nature of all repairs on the motor vehicle.  
33 29 Each operator of a state-owned motor vehicle shall  
33 30 promptly prepare a report at the end of each month on  
33 31 forms furnished by the director and forwarded to the  
33 32 director, giving the information the director may  
33 33 request in the report. Each month the director shall  
33 34 compile the costs and mileage of state-owned motor  
33 35 vehicles from the reports and keep a cost history for  
33 36 each motor vehicle and the costs shall be reduced to a  
33 37 cost-per-mile basis for each motor vehicle. The  
33 38 director shall call to the attention of an elected  
33 39 official or the head of any state agency to which a  
33 40 motor vehicle has been assigned any evidence of the  
33 41 mishandling or misuse of a state-owned motor vehicle  
33 42 which is called to the director's attention.  
33 43 b. A motor vehicle operated under this subsection  
33 44 shall not operate on gasoline other than ethanol  
~~33 45 blended gasoline blended with at least ten percent~~  
~~33 46 ethanol as defined in section 214A.1, unless under~~  
33 47 emergency circumstances. A state-issued credit card  
33 48 used to purchase gasoline shall not be valid to  
33 49 purchase gasoline other than ethanol blended gasoline  
~~33 50 blended with at least ten percent ethanol, if~~  
34 1 commercially available. The motor vehicle shall also  
34 2 be affixed with a brightly visible sticker which  
34 3 notifies the traveling public that the motor vehicle  
34 4 is being operated on ethanol blended gasoline blended  
~~34 5 with ethanol.~~ However, the sticker is not required to  
34 6 be affixed to an unmarked vehicle used for purposes of  
34 7 providing law enforcement or security.  
34 8 Sec. 53. Section 8A.362, subsection 5, paragraph  
34 9 a, subparagraphs (1) and (2), Code 2005, are amended  
34 10 to read as follows:  
34 11 (1) ~~A fuel blended with not more than fifteen~~  
~~34 12 percent E=85 gasoline and at least eighty-five percent~~  
~~34 13 ethanol as provided in section 214A.2.~~  
34 14 (2) ~~A B=20 biodiesel blended fuel which is a~~  
~~34 15 mixture of diesel fuel and processed soybean oil as~~  
~~34 16 provided in section 214A.2. At least twenty percent~~  
~~34 17 of the mixed fuel by volume must be processed soybean~~  
~~34 18 oil.~~  
34 19 Sec. 54. Section 216B.3, subsection 16, paragraph  
34 20 a, Code 2005, is amended to read as follows:  
34 21 a. A motor vehicle purchased by the commission  
34 22 shall not operate on gasoline other than ethanol  
~~34 23 blended gasoline blended with at least ten percent~~  
~~34 24 ethanol as defined in section 214A.1.~~ A state issued  
34 25 credit card used to purchase gasoline shall not be  
34 26 valid to purchase gasoline other than ethanol blended  
~~34 27 gasoline blended with at least ten percent ethanol.~~  
34 28 The motor vehicle shall also be affixed with a  
34 29 brightly visible sticker which notifies the traveling  
34 30 public that the motor vehicle is being operated on  
34 31 ethanol blended gasoline blended with ethanol.  
34 32 However, the sticker is not required to be affixed to  
34 33 an unmarked vehicle used for purposes of providing law  
34 34 enforcement or security.  
34 35 Sec. 55. Section 216B.3, subsection 16, paragraph  
34 36 b, subparagraph (1), subparagraph subdivisions (a) and  
34 37 (b), Code 2005, are amended to read as follows:  
34 38 (a) ~~A fuel blended with not more than fifteen~~  
~~34 39 percent E=85 gasoline and at least eighty-five percent~~  
~~34 40 ethanol as provided in section 214A.2.~~  
34 41 (b) ~~A B=20 biodiesel blended fuel which is a~~  
~~34 42 mixture of diesel fuel and processed soybean oil as~~  
~~34 43 provided in section 214A.2. At least twenty percent~~  
~~34 44 of the mixed fuel by volume must be processed soybean~~

~~34 45 oil.~~

34 46 Sec. 56. Section 260C.19A, subsection 1, Code  
34 47 2005, is amended to read as follows:

34 48 1. A motor vehicle purchased by or used under the  
34 49 direction of the board of directors to provide  
34 50 services to a merged area shall not operate on  
35 1 gasoline other than ethanol blended gasoline ~~blended~~  
~~35 2 with at least ten percent ethanol as defined in~~  
~~35 3 section 214A.1.~~ The motor vehicle shall also be  
35 4 affixed with a brightly visible sticker which notifies  
35 5 the traveling public that the motor vehicle is being  
35 6 operated on ethanol blended gasoline ~~blended with~~  
~~35 7 ethanol.~~ However, the sticker is not required to be  
35 8 affixed to an unmarked vehicle used for purposes of  
35 9 providing law enforcement or security.

35 10 Sec. 57. Section 260C.19A, subsection 2, paragraph  
35 11 a, subparagraphs (1) and (2), Code 2005, are amended  
35 12 to read as follows:

35 13 (1) ~~A fuel blended with not more than fifteen~~  
~~35 14 percent E=85 gasoline and at least eighty-five percent~~  
~~35 15 ethanol as provided in section 214A.2.~~

35 16 (2) ~~A B=20 biodiesel blended fuel which is a~~  
~~35 17 mixture of diesel fuel and processed soybean oil as~~  
~~35 18 provided in section 214A.2. At least twenty percent~~  
~~35 19 of the mixed fuel by volume must be processed soybean~~  
~~35 20 oil.~~

35 21 Sec. 58. Section 262.25A, subsection 2, Code 2005,  
35 22 is amended to read as follows:

35 23 2. A motor vehicle purchased by the institutions  
35 24 shall not operate on gasoline other than ethanol  
~~35 25 blended~~ gasoline ~~blended with at least ten percent~~  
~~35 26 ethanol as defined in section 214A.1, unless under~~  
~~35 27 emergency circumstances.~~ A state-issued credit card  
35 28 used to purchase gasoline shall not be valid to  
35 29 purchase gasoline other than ethanol blended gasoline  
35 30 ~~blended with at least ten percent ethanol if~~  
~~35 31 commercially available.~~ The motor vehicle shall also  
35 32 be affixed with a brightly visible sticker which  
35 33 notifies the traveling public that the motor vehicle  
35 34 is being operated on ethanol blended gasoline ~~blended~~  
~~35 35 with ethanol.~~ However, the sticker is not required to  
35 36 be affixed to an unmarked vehicle used for purposes of  
35 37 providing law enforcement or security.

35 38 Sec. 59. Section 262.25A, subsection 3, paragraph  
35 39 a, subparagraphs (1) and (2), Code 2005, are amended  
35 40 to read as follows:

35 41 (1) ~~A fuel blended with not more than fifteen~~  
~~35 42 percent E=85 gasoline and at least eighty-five percent~~  
~~35 43 ethanol as provided in section 214A.2.~~

35 44 (2) ~~A B=20 biodiesel blended fuel which is a~~  
~~35 45 mixture of processed soybean oil and diesel fuel as~~  
~~35 46 provided in section 214A.2. At least twenty percent~~  
~~35 47 of the fuel by volume must be processed soybean oil.~~

35 48 Sec. 60. Section 279.34, Code 2005, is amended to  
35 49 read as follows:

35 50 279.34 MOTOR VEHICLES REQUIRED TO OPERATE ON  
36 1 ~~ETHANOL-BLENDED~~ ETHANOL BLENDED GASOLINE.

36 2 A motor vehicle purchased by or used under the  
36 3 direction of the board of directors to provide  
36 4 services to a school corporation shall not, on or  
36 5 after January 1, 1993, operate on gasoline other than  
36 6 ethanol blended gasoline ~~blended with at least ten~~  
~~36 7 percent ethanol as defined in section 214A.1.~~ The  
36 8 motor vehicle shall also be affixed with a brightly  
36 9 visible sticker which notifies the traveling public  
36 10 that the motor vehicle is being operated on ethanol  
~~36 11 blended~~ gasoline ~~blended with ethanol.~~ However, the  
36 12 sticker is not required to be affixed to an unmarked  
36 13 vehicle used for purposes of providing law enforcement  
36 14 or security.

36 15 Sec. 61. Section 307.21, subsection 4, paragraph  
36 16 d, Code 2005, is amended to read as follows:

36 17 d. A motor vehicle purchased by the administrator  
36 18 shall not operate on gasoline other than ethanol  
~~36 19 blended~~ gasoline ~~blended with at least ten percent~~  
~~36 20 ethanol as defined in section 214A.1.~~ A state-issued  
36 21 credit card used to purchase gasoline shall not be  
36 22 valid to purchase gasoline other than ethanol blended  
~~36 23 gasoline blended with at least ten percent ethanol.~~  
36 24 The motor vehicle shall also be affixed with a  
36 25 brightly visible sticker which notifies the traveling

36 26 public that the motor vehicle is being operated on  
36 27 ~~ethanol blended~~ gasoline ~~blended with ethanol~~.  
36 28 However, the sticker is not required to be affixed to  
36 29 an unmarked vehicle used for purposes of providing law  
36 30 enforcement or security.  
36 31 Sec. 62. Section 307.21, subsection 5, paragraph  
36 32 a, subparagraphs (1) and (2), Code 2005, are amended  
36 33 to read as follows:  
36 34 (1) ~~A fuel blended with not more than fifteen~~  
36 35 ~~percent E=85 gasoline and at least eighty-five percent~~  
36 36 ~~ethanol as provided in section 214A.2.~~  
36 37 (2) ~~A B=20 biodiesel blended fuel which is a~~  
36 38 ~~mixture of processed soybean oil and diesel fuel as~~  
36 39 ~~provided in section 214A.2. At least twenty percent~~  
36 40 ~~of the fuel by volume must be processed soybean~~  
36 41 Sec. 63. Section 331.908, Code 2005, is amended to  
36 42 read as follows:  
36 43 331.908 MOTOR VEHICLES REQUIRED TO OPERATE ON  
36 44 ~~ETHANOL-BLENDED~~ ETHANOL BLENDED GASOLINE.  
36 45 A motor vehicle purchased or used by a county to  
36 46 provide county services shall not, ~~on or after January~~  
36 47 ~~1, 1993,~~ operate on gasoline other than ethanol  
36 48 ~~blended gasoline blended with at least ten percent~~  
36 49 ~~ethanol as defined in section 214A.1.~~ The motor  
36 50 vehicle shall also be affixed with a brightly visible  
37 1 sticker which notifies the traveling public that the  
37 2 motor vehicle is being operated on ethanol blended  
37 3 gasoline ~~blended with ethanol~~. However, the sticker  
37 4 is not required to be affixed to an unmarked vehicle  
37 5 used for purposes of providing law enforcement or  
37 6 security.  
37 7 Sec. 64. Section 364.20, Code 2005, is amended to  
37 8 read as follows:  
37 9 364.20 MOTOR VEHICLES REQUIRED TO OPERATE ON  
37 10 ~~ETHANOL-BLENDED~~ ETHANOL BLENDED GASOLINE.  
37 11 A motor vehicle purchased or used by a city to  
37 12 provide city services shall not, ~~on or after January~~  
37 13 ~~1, 1993,~~ operate on gasoline other than ethanol  
37 14 ~~blended gasoline blended with at least ten percent~~  
37 15 ~~ethanol as defined in section 214A.1.~~ The motor  
37 16 vehicle shall also be affixed with a brightly visible  
37 17 sticker which notifies the traveling public that the  
37 18 motor vehicle is being operated on ethanol blended  
37 19 gasoline ~~blended with ethanol~~. However, the sticker  
37 20 is not required to be affixed to an unmarked vehicle  
37 21 used for purposes of providing law enforcement or  
37 22 security.  
37 23 Sec. 65. Section 904.312A, subsection 1, Code  
37 24 2005, is amended to read as follows:  
37 25 1. A motor vehicle purchased by the department  
37 26 shall not operate on gasoline other than ethanol  
37 27 ~~blended gasoline blended with at least ten percent~~  
37 28 ~~ethanol as defined in section 214A.1.~~ A state-issued  
37 29 credit card used to purchase gasoline shall not be  
37 30 valid to purchase gasoline other than ethanol blended  
37 31 gasoline ~~blended with at least ten percent ethanol~~.  
37 32 The motor vehicle shall also be affixed with a  
37 33 brightly visible sticker which notifies the traveling  
37 34 public that the motor vehicle is being operated on  
37 35 ethanol blended gasoline blended with ethanol.  
37 36 However, the sticker is not required to be affixed to  
37 37 an unmarked vehicle used for purposes of providing law  
37 38 enforcement or security.  
37 39 Sec. 66. Section 904.312A, subsection 2, paragraph  
37 40 a, subparagraphs (1) and (2), Code 2005, are amended  
37 41 to read as follows:  
37 42 (1) ~~A fuel blended with not more than fifteen~~  
37 43 ~~percent E=85 gasoline and at least eighty-five percent~~  
37 44 ~~ethanol as provided in section 214A.2.~~  
37 45 (2) ~~A B=20 biodiesel blended fuel which is a~~  
37 46 ~~mixture of diesel fuel and processed soybean oil as~~  
37 47 ~~provided in section 214A.2. At least twenty percent~~  
37 48 ~~of the mixed fuel by volume must be processed soybean~~  
37 49 ~~oil.~~  
37 50  
38 1 DIVISION VII  
38 2 COORDINATING PROVISIONS == MISCELLANEOUS  
38 3 Sec. 67. Section 15.401, Code Supplement 2005, is  
38 4 amended to read as follows:  
38 5 15.401 ~~E-85 BLENDED GASOLINE~~ RENEWABLE FUELS.  
38 6 1. As used in this section, unless the context  
38 6 otherwise requires, "biodiesel", "biodiesel blended

38 7 fuel", "E=85 gasoline", and "retail motor fuel site"  
38 8 mean the same as defined in section 214A.1.

38 9 2. The department shall provide a cost-share  
38 10 program for financial incentives for the installation  
38 11 or conversion of infrastructure used by ~~service~~  
38 12 ~~stations~~ retail motor fuel sites to do all of the  
38 13 following:

38 14 a. ~~sell~~ Sell and dispense E=85 ~~blended~~ gasoline  
38 15 and for the installation or conversion of.

38 16 b. ~~Install or convert~~ infrastructure required to  
38 17 establish on-site and off-site terminal facilities  
38 18 that store biodiesel or biodiesel blended fuel for  
38 19 distribution to ~~service stations~~ retail motor fuel  
38 20 sites.

38 21 3. The department shall provide for an addition of  
38 22 at least thirty new or converted E=85 gasoline retail  
38 23 outlets and four new or converted on-site or off-site  
38 24 terminal facilities with a maximum expenditure of  
38 25 three hundred twenty-five thousand dollars per year  
38 26 for the fiscal period beginning July 1, 2005, and  
38 27 ending June 30, 2008. The department may provide for  
38 28 the marketing of these products in conjunction with  
38 29 this infrastructure program.

38 30 Sec. 68. Section 159A.2, Code 2005, is amended by  
38 31 adding the following new subsections:

38 32 NEW SUBSECTION. 0A. "Biodiesel" and "biodiesel  
38 33 blended fuel" mean the same as defined in section  
38 34 214A.1.

38 35 NEW SUBSECTION. 3A. "Department" means the  
38 36 department of agriculture and land stewardship.

38 37 NEW SUBSECTION. 3B. "Ethanol blended gasoline"  
38 38 means the same as defined in section 214A.1.

38 39 Sec. 69. Section 159A.2, subsection 6, Code 2005,  
38 40 is amended by striking the subsection and inserting in  
38 41 lieu thereof the following:

38 42 6. "Renewable fuel" means the same as defined in  
38 43 section 214A.1.

38 44 Sec. 70. Section 159A.2, subsection 8, Code 2005,  
38 45 is amended by striking the subsection.

38 46 Sec. 71. Section 159A.3, subsection 3, Code 2005,  
38 47 is amended to read as follows:

38 48 3. a. A chief purpose of the office is to further  
38 49 the production and consumption of ethanol ~~fuel~~ blended  
38 50 gasoline in this state. The office shall be the

39 1 primary state agency charged with the responsibility  
39 2 to promote public consumption of ethanol ~~fuel~~ blended  
39 3 gasoline.

39 4 b. The office shall promote the production and  
39 5 consumption of ~~soydiesel fuel~~ biodiesel and biodiesel  
39 6 blended fuel in this state.

39 7 Sec. 72. Section 214A.19, subsection 1, unnumbered  
39 8 paragraph 1, Code 2005, is amended to read as follows:

39 9 The department of natural resources, conditioned  
39 10 upon the availability of funds, is authorized to award  
39 11 demonstration grants to persons who purchase vehicles  
39 12 which operate on alternative fuels, including but not  
39 13 limited to, ~~high blend ethanol~~ E=85 gasoline,  
39 14 biodiesel, compressed natural gas, electricity, solar  
39 15 energy, or hydrogen. A grant shall be for the purpose  
39 16 of conducting research connected with the fuel or the  
39 17 vehicle, and not for the purchase of the vehicle  
39 18 itself, except that the money may be used for the  
39 19 purchase of the vehicle if all of the following  
39 20 conditions are satisfied:

39 21 Sec. 73. Section 307.20, Code 2005, is amended to  
39 22 read as follows:

39 23 307.20 BIODIESEL AND BIODIESEL BLENDED FUEL  
39 24 REVOLVING FUND.

39 25 1. A biodiesel and biodiesel blended fuel  
39 26 revolving fund is created in the state treasury. The  
39 27 biodiesel and biodiesel blended fuel revolving fund  
39 28 shall be administered by the department and shall  
39 29 consist of moneys received from the sale of EPA  
39 30 credits banked by the department on April 19, 2001,  
39 31 moneys appropriated by the general assembly, and any  
39 32 other moneys obtained or accepted by the department  
39 33 for deposit in the fund. Moneys in the fund are  
39 34 appropriated to and shall be used by the department  
39 35 for the purchase of biodiesel and biodiesel blended  
39 36 fuel for use in department vehicles. The department  
39 37 shall submit an annual report not later than January



39 38 31 to the members of the general assembly and the  
39 39 legislative services agency, of the expenditures made  
39 40 from the fund during the preceding fiscal year.  
39 41 Section 8.33 does not apply to any moneys in the fund  
39 42 and, notwithstanding section 12C.7, subsection 2,  
39 43 earnings or interest on moneys deposited in the fund  
39 44 shall be credited to the fund.  
39 45 2. A ~~department~~ departmental motor vehicle  
39 46 operating ~~on using~~ biodiesel or biodiesel blended fuel  
39 47 shall be affixed with a brightly visible sticker that  
39 48 notifies the traveling public that the motor vehicle  
39 49 uses biodiesel blended fuel.  
39 50 3. For purposes of this section the following  
40 1 definitions apply:  
40 2 a. ~~"Biodiesel"~~ "Biodiesel" and "biodiesel blended  
40 3 fuel" means soydiesel fuel mean the same as defined in  
40 4 ~~section 159A.2~~ 214A.1.  
40 5 b. "EPAct credit" means a credit issued pursuant  
40 6 to the federal Energy Policy Act (EPAct), 42 U.S.C. }  
40 7 13201 et seq.  
40 8 Sec. 74. Section 452A.2, subsection 3, Code  
40 9 Supplement 2005, is amended to read as follows:  
40 10 3. "Blender" means a person who owns and blends  
40 11 ~~alcohol ethanol~~ with gasoline to produce ethanol  
40 12 blended gasoline and blends the product at a  
40 13 nonterminal location. The ~~blender person~~ is not  
40 14 restricted to blending ~~alcohol ethanol~~ with gasoline.  
40 15 Products blended with gasoline other than ~~grain~~  
40 16 ~~alcohol ethanol~~ are taxed as gasoline. "Blender" also  
40 17 means a person blending two or more special fuel  
40 18 products at a nonterminal location where the tax has  
40 19 not been paid on all of the products blended. This  
40 20 blend is taxed as a special fuel.  
40 21 Sec. 75. Section 452A.2, Code Supplement 2005, is  
40 22 amended by adding the following new subsection:  
40 23 NEW SUBSECTION. 9A. "E=85 gasoline" means the  
40 24 same as defined in section 214A.1.  
40 25 Sec. 76. Section 452A.2, subsection 11, Code  
40 26 Supplement 2005, is amended to read as follows:  
40 27 11. "Ethanol blended gasoline" means ~~motor fuel~~  
40 28 ~~containing at least ten percent alcohol distilled from~~  
40 29 ~~cereal grains the same as defined in section 214A.1.~~  
40 30 Sec. 77. Section 452A.2, subsection 19, unnumbered  
40 31 paragraph 1, Code Supplement 2005, is amended to read  
40 32 as follows:  
40 33 "Motor fuel" means ~~both motor fuel as defined in~~  
40 34 ~~section 214A.1 and includes all of the following:~~  
40 35 Sec. 78. Section 452A.2, subsection 21, Code  
40 36 Supplement 2005, is amended to read as follows:  
40 37 21. "Nonterminal storage facility" means a  
40 38 facility where motor fuel or special fuel, other than  
40 39 liquefied petroleum gas, is stored that is not  
40 40 supplied by a pipeline or a marine vessel.  
40 41 "Nonterminal storage facility" includes a facility  
40 42 that manufactures products such as ~~alcohol ethanol as~~  
40 43 ~~defined in section 214A.1, biofuel, blend stocks, or~~  
40 44 ~~additives which may be used as motor fuel or special~~  
40 45 ~~fuel, other than liquefied petroleum gas, for~~  
40 46 ~~operating motor vehicles or aircraft.~~  
40 47 Sec. 79. Section 452A.3, subsection 1B, Code  
40 48 Supplement 2005, is amended to read as follows:  
40 49 1B. An excise tax of seventeen cents is imposed on  
40 50 each gallon of E=85 gasoline, ~~which contains at least~~  
41 1 ~~eighty-five percent denatured alcohol by volume from~~  
41 2 ~~the first day of April until the last day of October~~  
41 3 ~~or seventy percent denatured alcohol from the first~~  
41 4 ~~day of November until the last day of March, used for~~  
41 5 ~~the privilege of operating motor vehicles in this~~  
41 6 ~~state as defined in section 214A.1, subject to the~~  
41 7 ~~determination provided in subsection 1C.~~  
41 8 Sec. 80. Section 452A.6, Code 2005, is amended to  
41 9 read as follows:  
41 10 452A.6 ETHANOL BLENDED GASOLINE AND OTHER PRODUCTS  
41 11 == BLENDER'S LICENSE.  
41 12 1. a. A person other than a supplier, restrictive  
41 13 supplier, or importer licensed under this division,  
41 14 who blends gasoline with ~~alcohol distilled from cereal~~  
41 15 ~~grains so that the blend contains at least ten percent~~  
41 16 ~~alcohol distilled from cereal grains ethanol as~~  
41 17 ~~defined in section 214A.1 in order to formulate~~  
41 18 ~~ethanol blended gasoline, shall obtain a blender's~~

41 19 license.  
41 20 b. A person who blends two or more special fuel  
41 21 products or sells one hundred percent biofuel shall  
41 22 obtain a blender's license.  
41 23 2. The A blender's license shall be obtained by  
41 24 following the procedure under section 452A.4 and the  
41 25 blender's license is subject to the same restrictions  
41 26 as contained in that section.  
41 27 3. A blender required to obtain a license pursuant  
41 28 to this section shall maintain records as required by  
41 29 section 452A.10 as to motor fuel, ~~alcohol~~ ethanol,  
41 30 ethanol blended gasoline, and special fuels.

41 31 DIVISION VIII  
41 32 CHANGE OF TERMS

41 33 Sec. 81. CHANGE OF TERMS.  
41 34 1. Sections 8A.362, 101.21, 159A.4, 214.1, 214.11,  
41 35 214A.1, 214A.2, 214A.4, 214A.5, 214A.7, 214A.8,  
41 36 214A.9, 214A.10, 214A.16, 214A.17, 214A.18, 306C.11,  
41 37 312.1, 321.56, 423.14, 452A.63, 452A.66, and 452A.78,  
41 38 Code 2005, are amendedd by striking from the provisions  
41 39 the words "motor vehicle fuel" and inserting the  
41 40 following: "motor fuel".  
41 41 2. Sections 214.1, 214.3, 214.9, 214.11, and  
41 42 214A.16, Code 2005, are amended by striking the words  
41 43 "motor vehicle fuel pump" or "motor vehicle fuel  
41 44 pumps" and inserting the following: "motor fuel pump"  
41 45 or "motor fuel pumps".  
41 46 3. Sections 159A.3 and 214A.17, Code 2005, are  
41 47 amended by striking from the provisions the words  
41 48 "oxygenate octane enhancers" and inserting the  
41 49 following: "oxygenates".  
41 50 4. Sections 214A.1, 214A.4, 214A.5, 214A.7,  
42 1 214A.8, and 214A.10, Code 2005, are amended by  
42 2 striking from the provisions the words "oxygenate  
42 3 octane enhancer" and inserting the following:  
42 4 "oxygenate".>  
42 5 #2. Title page, by striking lines 1 through 7 and  
42 6 inserting the following: <An Act relating to  
42 7 renewable fuel and energy, providing incentives for  
42 8 infrastructure used to store and dispense renewable  
42 9 fuel, providing for income tax credits and excise  
42 10 taxes, providing for penalties, and providing  
42 11 effective and applicability dates, including  
42 12 retroactive applicability.>

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42 14  
42 15  
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42 18 SF 2383.201 81  
42 19 da/sh/5658